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INDIA AND THE FAR EAST

ECONOMIC RESPONSIBILITY OF INDIA

K. B. VAIDYA, B. Com.

**Former Editor, "Canton Daily Sun" and "Canton Truth", Canton ;
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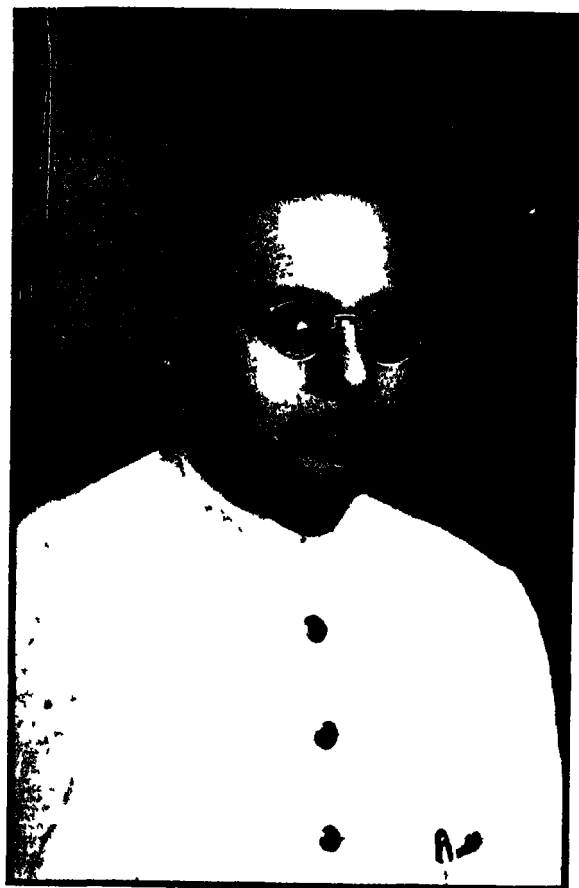
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The Sacred Memory of
THE LATE SETH AMRITLAL OJHA



to whom the author is indebted for his (the latter's) long sojourn in the Far East, who was so keen on reviving and developing the ancient contacts of India with our brethren in the Far East by re-establishing economic intercourse with them

PREFACE

The Far East is in turmoil, both politically and economically. This undoubtedly is due to the war and its not unexpected aftermath. Politically the people of the Far East want self-determination and independence just as much as they want economic self-sufficiency. The war had given rise to the hopes that the indigenous people of all countries will no longer be dominated by alien Powers. These hopes are the direct outcome of the Allied war aims. Now that the war has ended, the peoples of the Far Eastern countries naturally expect to be free to decide their own fate without interference from the Colonial Powers who had been so far dominating them. In the course of the war, Germany ousted such Colonial Powers from their own countries in Europe, and Japan did the same from their Far Eastern colonies and substituted herself there. Now, Japan, in turn, is herself ousted. And since the Colonial Powers had lost their colonies to Japan, the territory involved has to be retroceded, when released from Japan, to the indigenous peoples of those colonies, and NOT to the former dominating Powers. This is the real interpretation of the Allied war aims—at least in the minds of the colonial peoples.

But it appears that the Allies have been following a different course. Recent events show that they are making attempts to restore the sovereignty of the former dominating Powers. Sensing this, the people of the Far Eastern colonies have risen in revolt, and justice demands all sympathy for their movement. The present writer had anticipated and referred to this move over a year ago

to November 1944 when he had put the finishing touches to his book "AND NOW CHINA", published this year, (1945). In the course of his reference in that book, public attention was drawn to the subject of the colonial people's freedom. Since then the problem has assumed serious proportions, as the defeated Colonial Powers are now seeking to restore their former sovereignty with the help of Britain and America, because clearly they are unable to do so by themselves. And it looks highly reprehensible that Britain and America, who have been all along professing to fight "to make the world safe for democracy" should participate in the operations against the indigenous people of the colonies who have been struggling for their freedom. This is strongly resented, and it has given unprecedented stimulus to the peoples' Freedom Movements, which are daily gaining in strength and volume. And these Freedom Movements have all the sympathy and support of all oppressed people of the world.

Economically, the war has brought destruction, famine and pestilence in its wake. The people want goods, materials and money for reconstruction and rehabilitation. Japan, the principal supplier to the Far East, has been, at least temporarily, incapacitated to continue playing the role that she did in pre-war times. So is Germany. Russia cannot do much, and Britain is hardly in a better position. The U.S.A. will have her hands so full at home and in Europe, that she cannot by herself fill the gaps created by the absence of Japan and Germany, and to some extent, of Britain from the market. Someone else has to do it. And India appears to be the obvious, and perhaps the only other supplier to the Far East for various products and services.

India has therefore to shoulder the responsibility. She cannot, in view of her resources, shirk it. Her age-long cultural contact with all and blood-relationship with some of the Far Eastern peoples make it imperative for India to discharge her responsibility in relation to them when she is in a position to do so. The Allies had made India the centre of the Eastern Group Supply Council during the war right from 1941. What more natural than to expect that she continues that important role even in peace times?

Here then is a chance for our industrialists, businessmen and intellectuals to resume and to develop their business and cultural relations with the Far Eastern peoples, and thereby help the process of industrialisation and cultural advance of India as well. India is eminently fitted to take up that position; and her people must move to achieve that end. They cannot avoid their duty towards their brethren and friends in the Far East. By their efforts great development in Indian trade and industry can be accomplished, while at the same time they will be helping their kindred folks in the Far East to develop their own.

This book is intended to show the way and it is hoped that it will be found useful from that point of view.

The figures of exports, imports and production of various countries as given in this book may appear rather out of date, because, I have not given the latest figures that are available in some cases. But I have purposely taken older figures as they better represent the actual position in normal times. Later figures are greatly affected by wartime conditions, what with inflated prices, controlled rates and exchanges, and restricted traffic. They do not, and in fact cannot, represent the

normal or peacetime position. I have, therefore, deliberately avoided latest figures in most cases, and carefully selected for my use such years as were not greatly affected by war and which give a fairly correct idea of the conditions prevailing in normal times.

For a period of ten continuous years, it had been my lot to be a spectator on the embattled arena of the Sino-Japanese front, wherein the study of the Pacific and the Far Eastern problems had been my daily business. The facts in this book are therefore taken from my own observations on the spot during that exciting decade (1931-1941) that has falsified the traditional pacifism of the Pacific Ocean. However, I do not claim to be an "expert" or "authority" on the subject, although I was not a mere "cold weather" visitor to the Far East. It would be correct to say that I am just a student of the Pacific affairs.

In this Series (the Un-Pacific Series), I have been explaining the position *vis-a-vis* the important problems connected with the Pacific regions. I call the Series "Un-Pacific" advisedly. The Pacific Ocean has now become a cauldron of world politics and the books or booklets in the Series will deal with those problems which have belied or are belying the pacific nature of those areas.

I have made a little variation in the order of the books in this Series. As announced before, the third and the fourth books in the Series should have been "The Pacific Realm" and "Is Pacific a Secondary Stage?" But it became increasingly difficult during these war times to obtain correct and latest information about the vast subject, specially about the projected third book, and the work had to be postponed to a latter date. The fourth one projected has now become unnecessary as the

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war has ended. In the meantime, I have placed "AND NOW CHINA" and the present book "INDIA AND THE FAR EAST" in the series to substitute third and fourth books.

I am indebted to all the authors quoted in this book as well as to others whom I may have unwittingly followed though not actually quoted.

Bombay.

K. B. VAIDYA.

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INDIA AND THE FAR EAST

ECONOMIC RESPONSIBILITY OF INDIA

CHAPTER I

THE DOUBLE PROBLEM

The two wars in the Far East—the Sino-Japanese War since 1931 and the Axis-Allies War since 1941—and their aftermath have created various problems for the Far East. All the countries in that area were involved in the war, either the first or the second. These countries are China, Korea, Japan, Philippine Islands, Indonesia, Straits Settlement, Malaya, Indo-China and Thailand (Siam) with dependent islands. Of these, the countries that suffered most from the ravages of war with destruction of life, properties, factories and other industrial concerns were China, Japan, Philippine Islands, Indonesia, Malaya and Straits Settlement. Indo-China and Siam did not suffer much, as excepting their own mutual war in 1940 which lasted only a few months and did not wreak much damage, there was no serious destruction. Whatever loss they might have suffered was due to the Japanese occupation. But no actual battles were fought there on any large scale.

All the war-affected countries are faced with the double problem of rehabilitation and reconstruction in the first place to restore the conditions to normal, and in the second place, to bring about development with view to national regeneration. The problems are, therefore, primarily economic, though the political stru

of some of the dependent countries are yet to be settled. This will depend on the final Peace Conference to be held later. So, we might have left out of our consideration the political destiny of these countries, and considered only the economic problems facing them. But this cannot be done, because the two problems, economic and political, are in these days so indissolubly interwoven that the detached consideration of either is almost impossible. For that reason, we shall, in passing, take a cursory survey of the political situation in the Far East as it exists today and as it is likely to exist from three to five years hence. We shall then deal with the economic position in those countries subsequently. And in the last portion of the book, we shall see what part India can play in the economic rehabilitation of the Far East.

For that purpose, we shall divide this book in three parts: (1) Political Background (2) Economic Situation, and (3) India's Responsibility. And thus we shall explain the immediate problems of the Far East.

PART I

THE POLITICAL BACKGROUND

CHAPTER II

FURTHER INDIA AND PHILIPPINES

The cessation of both the wars (Sino-Japanese and the Axis-Allies Wars) in the second week of August 1945 has led people in the Far East to consider the question of their political resettlement, especially those in the dependent countries.

In the first place, the predominant question is whether the Far Eastern colonies of the Euro-American Powers are to remain in the same dependent position as they were before the war. Or, are they to attain the position of self-governing states and ultimately of independence? Some of the European Colonial Powers ruling those colonies like the French and the Dutch, had lost even their own countries in Europe in 1940, being conquered by Germany. In the meantime, the Japanese, who had occupied their colonies in the Far East, had given to the people there a sort of self-government under their own protection. If so, are the conquered European Powers who were also dispossessed by Japan of their colonies in the Far East to be still allowed to maintain their domination over those colonies and to continue the exploitation of the colonial peoples there? The world war that has just ended was professed to have been fought for upholding democratic principle in the world. It was fought, it is claimed, for protecting the weak from the oppression and exploitation of the strong. Britain and France were said to have gone to war with Germany in September, 1939, to protect weak Czecho-Slovakia and Poland from German aggression. Since then, ideas of

national freedom for indigeneous people of any oppressed, dependent or exploited country have considerably advanced, and the principle of self-determination has been talked of most. The weak and the oppressed people of the world therefore have been looking to the Allies to implement their war aims on the basis of which such weak nations gave their might to the Allies. They helped the Allies with full faith in their *bona fides*.

INDO-CHINA AND INDONESIA

The problem, therefore, faces the Allies as to how to dispose of the question of the political salvation of such colonial peoples and what is going to be their status in the post-war period. Years of subjection, oppression, and exploitation have in some cases created a feeling of despondency and frustration. And yet, they are yearning and struggling for freedom; but their movements are suppressed. The latest heroics of the defeated French people in Indo-China were nevertheless to dethrone the Annamite people from power in their own country. They were placed in that position of power by the Japanese who had occupied the country late in 1940; but the French are trying to grab the power there again. Ruthless suppression of the Annamites in Indo-China may follow, and exploitation and oppression will be continued unless wiser counsels prevail with the French. The suppression of the Annamite people in Indo-China by the French had been so complete, that usually no passports were given to the Annamites except for going to France. One would have expected that the freedom-loving people of France with their national cry of "Liberty, Equality and Fraternity" would apply the same principles of freedom equally to their colonies. But

that is not so. That cry seems to be reserved only for home consumption. Consequently riots for freedom are going on in Indo-China.

The same is the case with Indonesia presently where the freedom movement is strong. Japan conquered the Indonesian islands early in 1942 (February to April). In these Dutch possessions, however, the conditions are slightly better. Many Dutch people have made the Indies their homeland, and they are domiciled and are settled there. Their number is over 100,000. They have intermingled with the indigenous people and the population of such Eurasians exceeds 150,000. The result is that the money earned by them remains in the land. These two classes of people though small in number are nevertheless powerful. And most of them have thrown in their lot with the national movement for freedom. Queen Wilhelmina of Holland, however, has promised the people of the Indies their freedom after the end of the war. The War has ended, and the people want the Queen to implement her promise. In the main, the London Declaration of the Queen contains three important principles (1) that after the war Indonesia will be free and independent, and will decide her own constitution; (2) that the association between Indonesia and Holland will be on a basis of equality; and (3) that in any superior council created, Indonesia will be represented equally with Holland.

If these promises are implemented, Holland will be the first European country to free its colonial people from its own domination. Thereby Holland will lead the way to the freedom of other Oriental people at present dependent on other European Powers. The United States of America has already shown the way in the Philippines.

However, the signs are that the path of the people of Indonesia does not appear to be so smooth. They have actually staged freedom movement at present; but no assurance has so far been received from Holland that the Queen's Proclamation will be adhered to. In the meantime, the British troops are accepting surrender of the Japanese in the Indies and are taking the strings of power in their hands *pro tem*.

These two colonial possessions of France and Holland are therefore the danger spots if immediate settlement is not made with the people there. Political upheavals are the only alternatives. No large business investments or big commitments should be made there for another five years at least, perhaps for more. However, ordinary day to day business of buying and selling covered by bank guarantees can be successfully and profitably carried on in these territories. French restrictions on business by non-French people are very stringent in Indo-China, and practically none except the French can carry on business there. The Dutch had allowed British and American capital for development in Indonesia, mainly in oil. Perhaps in the changed times, the Annamites and the French might reconsider the position to some extent, when they would require so many types of consumer goods from foreign countries in exchange for rice and coal from Indo-China.

MALAYA & STRAITS SETTLEMENT.

Malaya and Straits Settlements which were occupied by Japan in 1942 (January-February) have also the same problem as to their political destiny though in a slightly different form and of lesser intensity. The population of Malaya, except the Siamese portion of Malaya, is hete-

ogeneous so that the development of a common nationality making for a self-governing status will take some more time. The population (according to estimates made in 1939) was: Straits Settlement, about 1,200,000; Federated Malay States (Perak, Selangor, Negri Sembilan and Pahang), about 2,169,300; Unfederated Malay States of Johore, Kedah, Kelantan and Trengganu, about 1,862,500. The total population of Malaya and Straits Settlement is about 5,231,800, and of Malaya proper (excluding Straits Settlement) is about 4,031,800. Of these 4,031,800 about 47% are Malays; about 34% are Chinese, about 17% are Indians, and the rest are Eurasians and Europeans. The conditions are complicated by the division of Malaya into a number of states and principalities under British protection. Four bigger states out of these as mentioned above are grouped together as Federated Malay States. Others are unfederated. The British do not seem to have any intention to interfere too much in their internal administration. Nor does there appear any desire to remodel the States on limited monarchy basis, and evolve one organised territory of Malaya as a whole as a self-contained political unit outside Straits Settlement. The process will be long and tedious, as the task of the original inhabitants, the Malays, is made immensely difficult by the existence of a large population of other nationalities, the division into states and the incidence of European vested interests. A common political evolution will therefore prove a very knotty problem for the Malays, at least for a time in the near future. They cannot exclude the Chinese and Indians in any such development. There is no doubt, however, of an ultimate development of political freedom for Malaya.

But at present the problem in Malaya is not so pressing as in other territories nor has it assumed serious proportions, although recently there has been a demand for independence. We can assume therefore that Malaya would have to continue to be under British protection or association for some time yet, and self-governing states, federated and unfederated, will continue too. There are so many people from so many different countries congregated there that a common bond is yet to be evolved. It is true that a common Council exists there for the whole of Malaya. But common national sense is yet to be developed as most of the non-Malay people are there mostly for business. Of course, Indians have been there almost as long as the Malays, and many call themselves as Malays rather than Indians. It is also true that many Indians, Chinese, Arabs, Moors also have made Malaya as their home, and have become nationals of Malaya in the same sense as the indigeneous people. In fact at one time, that is from the fourth to fifteenth century, perhaps even earlier from 4th century B.C., Malaya was practically an Indian colony and Indians belonged to the place. But things have changed since then, and disorganisation in the Indian section has unsettled their former status. They are now amongst so many others. And yet the names of many places and also other civilizing factors bear Indian stamp. The Chinese population is growing in strength and number. Malays, Arabs and Thais ruled the place before the British entered the field.

Consequently, owing to these differences of nationality, interest and political divisions, the political unity is yet to be established, and therefore the problem is not so acute today in Malaya as it is in Indo-China and Indonesia where the population is mostly

homogeneous unlike that in Malaya. No great political upheaval is therefore anticipated in Malaya in the near future and normal business is expected to be carried on safely in that quarter. The non-Malay people in Malaya appear somewhat more concerned with business and do not give an impression that they are keenly interested in evolving a common political destiny for Malaya. The Malays themselves, appear rather unconcerned as to their political destiny, owing perhaps to a sense of weakness and frustration, to achieve the goal of independence in the face of the strength of foreign power and interest. However, they have now made a joint demand for independence—jointly with the Indians and the Chinese.

THAILAND (SIAM)

This country has not suffered much by the war. No destruction was wrought there either by actual fighting or aerial bombing. The country is intact and is in a position to buy and sell goods. It is an independent country with its own rulers. The Japanese, in the course of their occupation of the country from 1941 to 1945, might have exploited the resources and finances of Thailand to some extent, and to that extent the purchasing power of the people might have been lowered. But the productive capacity of Thailand has not been seriously affected. And when she sells goods, she would likewise buy. She has been buying a lot from Japan in recent times. That source is now lost and will have to be replaced.

The political situation there, however, is in a state of turmoil, undergoing a change. The old pro-Japanese Ministry has resigned and a new one friendly to Allies has taken its place. But the main problem is that Thailand was an Ally of Japan in the latter's war against

the Allies. We believe, however, that Thailand was an unwilling ally of Japan, having been forced by circumstances. Japan had conquered every territory surrounding the country and had even stationed her troops in Thailand. The latter had, therefore, no alternative but to acquiesce in Japan's demand for alliance. This may be an extenuating circumstance in favour of Thailand when time comes for settlement of her fate. The Allies might relent to some extent in her favour. In any case, the political conditions in Thailand will not be so disturbing and they will be well within the control of the Allies. Investments and commitments are comparatively safe there.

THE PHILIPPINE COMMONWEALTH

The Philippine Islands, formerly a U.S.A. dependency but an independent country since 1935 except in matters of defence, suffered most in the war, first when the Islands were lost to Japan in 1942 (January-May) and then when Japan was defeated (January-April, 1945).

But an actual survey of the position would reveal that mainly the coastal tracts were seriously affected, the hinterland being more or less undisturbed. Of course, three years of Japanese occupation must have led to the deterioration of the economic position in the Islands, as exploitation and suppression might have been adopted for enforcing the new regime. This keeps the populace in fear, and industrial and commercial activities are at a discount. The purchasing power and productive capacity are lowered.

And yet with the restoration of the American authority which will re-introduce the self-governing regime of the Islands by the Filipinos themselves, normal political conditions are expected to revert very soon.

Enlightened rulership of the Islands is assured, and normal business can be resumed as soon as military exigencies are at an end. The Islands were due for complete independence on November 15, 1945. But it is to be seen as to whether the plea of military and naval exigency is advanced by the Americans so that the Independence Day for the Islands is thereby postponed for three years, as if to make up for the three years lost by Japanese occupation (1942-45).

CHAPTER III

CHINA, MANCHURIA AND KOREA

After fifteen years of hard struggle with Japan since 1931, China has now come out victorious and is trying to establish her authority in her territories.

China's first care is to see that a strong central government is established in the country. That has been the crying need of China, not only since the establishment of the Republic in China on October 10, 1911, but ever since the weakening of the Manchu regime. This weakening was due mainly to foreign interference in China from the days of the Opium Wars (1839-41 and 1857-60) in the nineteenth century, especially from the time of the Taiping Rebellion (1845-60). The Boxer Movement of 1899-1900 spelled the doom of the Manchus and the Republic was established in China by Dr. Sun Yat-Sen in 1911. But a strong Central Authority, which is so necessary for any organised development on peaceful lines, had yet to be established under the Republican regime. Dr. Sun tried, but died a disappointed man in

1925. Then Marshall Chiang Kai-shek who succeeded to the leadership in China, did his very best to achieve the end. But the process was both hindered and accelerated by the Sino-Japanese war. This seems contradictory. But it is true. In the first phases of the Sino-Japanese war since 1931, the process of unification was greatly accelerated by the Chinese trying to combine under one banner in the face of the Japanese aggression. They succeeded to a great extent, and the leadership of Generalissimo Chiang achieved a great feat. But in 1939, Wang Ching-Wei, a longstanding colleague of Chiang turned pro-Japanese, and a separate regime was established by him in 1940 at Nanking, the erstwhile capital of China.* The cleavage remained throughout the rest of the period of the war. Wang lately died before the end of the war.

But an additional threat to unity was developed in 1940 when the Chinese Communists who had been fighting the Nationalists under G'issimo Chiang since 1927 but who had made common cause with the latter in 1937 against Japan, defected and wanted to have their separate sphere of influence in China. In fact, although their army was nominally incorporated as the Eighth Route and Fourth Route Armies in the National Army of China under G'issimo Chiang, they maintained their separate army units and their separate state in Shensi. Consequently, the two armies practically operated independently, specially since 1940. Since then the trouble had been brewing between the Communists and the Nationalists which came to a head in 1944 and 1945. Clashes between them were reported since 1940, and things were

* During the renewed Sino-Japanese War in July 1937, the Chinese Government shifted its capital first from Nanking to Loyang, then from Loyang to Hankow, and from Hankow ultimately to Chungking.

growing worse. But the trouble is suppressed at present, mainly owing to Sino-Russian agreement of August 1945, following which Russia seems to have given "advice" to the Chinese Communists to make peace with the Nationalists under G'issimo Chiang. The negotiations are proceeding. Some temporary good may come out of it.

But I do not think that a permanent fusion is possible. On the contrary, owing to the injection of the Chinese Communists into the Chinese National Government, there is the greater probability of trouble brewing up in China. It is to be seen whether merging of the Communists and the Nationalists is likely to ensue. I have no great hopes, unless China goes fully Communist or the Communists become so docile as to follow the Nationalist lead. This latter is not probable. And Soviet Russia will not view this development with favour. But the Nationalists had succeeded to a great extent in unifying China. In fact, the recent Plenary Session of the Central Political Council has promised full democratic constitution for China. But we do not think that the trouble between the Chinese Communists and the Nationalists will be ended therewith. The former would try their very best to advance their cause, and chances are that they might succeed, in view of the fact that within ten years since the Communists settled in Shensi in 1935, they have increased from 50,000 who reached Shensi from Kiangsi to 90,000,000 as now claimed by them.

A Sovietised China will be a great asset for Russia, and Russian influence in China will be predominant especially if the seat of the Government is shifted from Chungking. But we expect that the seat of the Chinese National Government will ultimately be shifted from

Chungking to Nanking, as the latter city is near Shanghai which is China's great entrepot through which nearly 47 per cent of China's foreign trade passes. Hankow is another possibility. If Chungking is given up, then the Russian sphere of influence through the Chinese Communists with their headquarters at Yen-an in Shensi will overtake the whole of west China without much hindrance. This is a point which will worry the Nationalists, and it is to be seen whether and when the Chinese Government shifts from Chungking.

If the Government removes to Nanking, foreign intercourse will be greatly facilitated, as Nanking is only about 150 miles from Shanghai. And large business propositions would be handled.

But owing to the destitution to which the people are reduced, and due to the entire dislocation of industries that has followed in the wake of this 15-years Sino-Japanese War, the purchasing power of the people has been greatly affected, and this will be a problem for the Government to tackle. Upon the solution of this problem will depend the volume of business with China. And yet there is not the least doubt that very vast supplies will be needed for China for rehabilitation, reconstruction and development, and large volume of business is possible under stable government and stable conditions, both of which are now possible.

As regards MANCHURIA there will be a triangular fight between China, Russia and U.S.A.

Manchuria is one of the richest spots in the world with underground and overground resources of an untold variety and nature. Besides it is the Motherland of that Wonder Bean, the Soya Bean. For that reason, Manchuria has been coveted by all the surrounding Powers.

It has been Chinese since the time of Kublai Khan, the Emperor of China (13th century). Later on Manchuria became independent again. But the fusion with China became more intimate when the position was reversed and the Manchus conquered China in the 17th century. Since then Manchuria came to be recognised as a part of the Chinese Empire.

And yet, it retained its entity as a Chinese Viceroyalty. It consists of three provinces of Kirin, Heilungkuan and Fengtien. But Russia had always an eye on Manchuria, both as a rich prize and as providing an outlet to the Pacific Ocean with ice-free ports. Russia occupied Manchuria in 1902 which later led to the Russo-Japanese War in 1904. Russia was eliminated from Manchuria and Japan became predominant there although the Chinese sovereignty was recognised. After the Revolution in China in 1911, Manchuria was practically independent, and the warlord Chang Tso-lin ruled it almost as private property. But in September, 1931 the Japanese attacked the country and separated it from China. It was converted in 1932 into an independent state as Manchoukuo with which were joined later two other provinces of China, Jehol and Hsingan (the last one taken from Inner Mongolia). This state functioned up to the time of the entry of Russia into the war on 7th August, 1945. At present Russian troops are practically in occupation of same. According to the latest Sino-Russian Treaty, the Russian troops will evacuate as soon as the Chinese are in a position to establish their regime there. Russia is said to be asking for Dairen and Liaoning peninsula on lease as before, as these were formerly on lease with Russia. The latter is also said to be asking for the two railways, the South

Manchurian Railway and the Chinese Eastern Railway, for joint operation of Russians and Chinese.

Thus the conditions in Manchuria are at present in a viscous state. Business is possible but in a guarded manner, because, trouble over Manchuria and its neighbour Korea is likely to brew between Russia and U.S.A. in the first instance, with China trying to get a footing there.

KOREA is freed from the Japanese domination and the Americans are taking over its control. It is reported that a Republic will be established there in the near future.

Korea was formerly an Empire and the late Lord Curzon was said to have performed the "kowtow" ceremony before the Korean Emperor, although His Lordship had denied it. Korea was called an "Hermit Kingdom" as the rulers did not allow foreign intercourse for a long time, same as Japan did in the seventeenth, eighteenth and a part of the nineteenth centuries. Nominally Korea was a tributary Empire to the Chinese Empire. Here was also the triangular fight for supremacy between Russia, China and Japan since the seventies of the last century. Here again Japan scored by her defeat of China in 1894-95, and thereby eliminated both China and Russia. Japan became the sole arbiter of power, and by stages absorbed the country by ultimately incorporating Korea into the Japanese Empire. Korea remained in that position until Russian troops invaded Korea, and Japan surrendered to the Allies in the second week of August, 1945. Russians had not penetrated deep when the surrender of Japan was accepted and they could not move further. A small contingent of Russian troops is still stationed in the northern and north-western part of Korea. But, for

the most part Americans are assuming control there until self-governing regime is established by the Koreans themselves.

Soon after Japan's surrender (August 15, 1945) the Provisional Government of Korea which was before functioning partly in China and Russia, and partly in U.S.A. seems to have taken charge under American supervision. The President of the Provisional Government, Mr. Kim Koo, has declared that 25,000,000 people of Korea would soon go to the polls to elect their own government. Both the Russian and American troops are occupying respectively the Northern and Southern zones. But recent reports state that for the most part, the Americans are establishing order in Korea. And it is hoped that as soon as the newly-elected Korean Government is able to take care of itself, both Russians and Americans would withdraw from Korea. In the meantime, the Provisional Government is trying to get recognition from China and America as well as from Russia. At the Cairo Conference of the Big Three towards the end of 1943, Korea's independence was voted by Generalissimo Chiang Kai-shek, the late President Roosevelt of U.S.A. and Premier Winston Churchill of England, mainly at the instance of Generalissimo Chiang. It is therefore assumed that Korea's independent status will be a *fait accompli* at no distant date. This would be the most pleasing climax of the struggle of the Korean Nationalists for independence extending over three-quarters of a century. But for the present, some temporary dislocation and consequent confusion are likely to arise. And it is to be seen whether the Russians would withdraw their troops, or whether they would advance the eternal plea of defence of their interests in Korea.

CHAPTER IV

JAPAN

The other important country left is Japan. She is at present lying prostrate at the feet of the Allies, especially at the feet of her greatest rivals, the Americans, in the Pacific area.

Japan was opened for international intercourse by the Americans themselves in 1853. Since then Japan was almost a protege of U.S.A. for a long time. In the Russo-Japanese war in 1904-5, America's sympathy was with Japan and it is possible that Japan may have even received some active assistance from U.S.A. But Japan's victory over Russia opened America's eyes to the glaring fact that Japan thereby became a rival to America in the Pacific. Thereby America's then newly-acquired dominion of the Philippine Islands (1898) became endangered. Since then American policy had been to look upon Japan as a rival. The protege therefore became an antagonist, and later, war seemed inevitable between them. Japan lost in this rivalry, mainly owing to the atomic bomb, and is now at the mercy of America. Constitutional monarchy is said to be in the offing in Japan. Disarmament of the soldiers throughout the country and its possessions is said to be proceeding rapidly.

But it will all depend on how the Americans go about settling the conditions in Japan. Disarming the soldiers and sailors by foreigners is already a great humiliation for the Japanese, as they had never known such a thing in their history of 2605 years. Foreign domination is another humiliation which they will greatly resent. And the greatest of all calamities befallen on them is to

see their revered Emperor, Hirohito, made to pay a call on General MacArthur, who is a mere general and not the head of a state, although he has been invested by the Allies with full powers for administering Japan for the time being. And when Emperor Hirohito called at the American Embassy he was received at the door of the Embassy Hall by an A.D.C. of MacArthur and not by MacArthur himself. Later the Emperor was "ushered" into the presence of MacArthur as any ordinary individual. This is too much for the Japanese. This is carrying humiliation to extremes, as Hirohito is not yet deposed and nor has he abdicated. He is so far a ruling Emperor. This humiliation not only to the Emperor but to the Japanese people as a whole might have been spared. The policy of antagonising the Japanese people so completely will result in the bitterest hatred on their part towards the Americans, more bitter than before. One fails to understand whether there is wisdom or statesmanship in it: because as soon as the Ordinances were obtained from the Emperor to disarm his soldiers, sailors and other armed people, and as soon as they were actually disarmed, a beginning is made to subject their Emperor to humiliation. The talk of making Hirohito a War Criminal is now revived. Such steps will embitter the feelings of the Japanese forever against the British and Americans and it is doubtful whether other oriental people would view this development with favour. It may be interpreted as the White method of dealing with even the highest amongst the Orientals when the latter come into conflict with the former.

Such happenings together with the insistence of the defeated Western Powers to reassert themselves as rulers in the Far Eastern territories as in Indo-China and In-

donesia are likely to lead to the much-feared "Colour War" at no distant date, despite the invention of atom bomb now in the possession of the Americans.

Businessmen, whether White or Oriental, have to guard against this catastrophe, and both of them must make concerted efforts with their respective governments to prevent their politicians from hastening a crisis of this nature. It may again spell disaster of the greatest magnitude for the whole world, dividing it in two opposing camps, hindering smooth progress of business and international relations all over.

The present tendency of the White nations to keep their Oriental colonies and dependencies in the same position as before the war is therefore pregnant with dangers of an untold nature. And it is hoped that both the White and Oriental people would calmly consider the situation and avoid a turmoil which might otherwise engulf both of them in a catastrophe of the most hideous nature.

Japan, therefore, is a danger spot, whether suppressed or ennobled. Apparent calm should not be interpreted for permanent peace. The real situation is surcharged with potentialities of the most dangerous nature. However, business is possible with Japan, but it should be without large commitments or investments.

CHAPTER V

FOREIGN INTERESTS

The situation in the Far East, however, mainly depends on how the Western Powers act in that region. The principal issue lies amongst Russia, U.S.A., and

Great Britain. With them are Holland and France. But the decision would lie with Russia, U.S.A., and Britain. They will decide the general policy in the Far East. It is in their power to decide as to whether the Far East has to have peaceful times and orderly economic and political progress or not. But as their interests clash with each other, this may later lead to a conflict of far-reaching consequences. The principal tussle is between the land-based Russian Power and the amphibious American Power. Their respective proteges in this struggle would be the Chinese Communists and the Chinese Nationalists. The U.S.A. has the atom bomb which is at present the deciding factor. But Russia may likewise have one of its own, as Stalin's scientists are at work day and night for an antidote and for a more powerful weapon. These rivalries would go on and will primarily affect the Far East rather than Europe. We believe that a real Pacific War is yet to be staged. The Allies-Japanese War was merely a rehearsal. But this is to be a later development.

Let us therefore note briefly the conditions as regards the interests and aims of the Euro-American Powers in the Far East.

1. SOVIET RUSSIA

In my book "AND NOW CHINA", I have given in detail, Russia's aims of world conquest, in which the conquest of China is the cornerstone. I have no reasons to deviate from my statements made therein despite the consummation of the Sino-Russian Treaty and despite the promise of Soviet Russia to withhold help to the Chinese Communists. One can hardly have faith in these promises, as they conflict with the eternal aim of Russia

to sovietise China and thereby to drag the country within the Soviet Union. It is enough for Russia at present to drive the Communistic wedge into the Chinese National Government which will ultimately again split the Chinese into two opposing camps. The rest will be done by Russian advisers, Russian technicians and Russian Roubles which are sure to flow steadily into China, as a result of the Sino-Russian Treaty of August, 1945. This Treaty has provided for Russian aid only to China's National Government. And it is very likely that Soviet Russia will faithfully observe it, because thereby the Chinese Government will gradually pass under the obligations of Soviet Russia. If the Chinese Communists are there in the Government, they will accomplish the rest unless they lose their heads and again start fighting.* Russia will in that case follow a policy of peaceful penetration into China, which will be more destructive of the Chinese National Government than any armed aggression.

Apart from China proper, Russia's aims are mainly centred in Manchuria together with Korea. Russian ambitions there are proverbial. This granary of the world is a rich prize coveted by every one that has come in contact with it. Russia has been aspiring for it for the last 200 years. Presently she has been asking only for the lease of the territories in Manchuria held by her since 1899, but which were taken away from her by Japan in 1905. But ultimate occupation of Manchuria is no doubt the aim of Soviet Russia. The lease of Liaoning Peninsula would be only the beginning. Gradually the sphere would be extended to Korea when a suitable opportunity

* Since writing this, the Chinese Communists have actually lost their heads same as the Nationalists, and fighting has broken out between them on a larger scale than in 1940 and 1944.

offers. Here she may come into conflict with the Americans who are now restoring order and paving the way for the establishment of independent government of Korea.

Any way Russia wants complete mastery of the Far Eastern land-territories at least, and that is why she is demanding a share in the occupation of Japan.

Russia's aims, therefore, are likely to create new dangers for the peace of the Far East and long-term business commitments are not advisable. Russian aims, however, are likely to be vitiated by another Revolution in Russia with consequent break-up of civil war. Another potent factor that might offset Russian aims would be the invention of some more powerful atom bomb by America or Britain before Russia invents one.

2. THE UNITED STATES OF AMERICA

The United States of America has now become inescapably involved in the Far East. In fact, she is slowly assuming the role of an arbiter in that region following the Allied victory over Japan, in which she was the major factor.

Thus the wishes of the isolationists in America are not only contravened, but safely buried in the deep waters of the Pacific near Mindanao (Philippine Islands) where the ocean is deepest. She has not become an isolationist in the Pacific but has on the contrary pushed herself into Asia itself, and like Russia, has become an Asiatic Power. Before the Americans headed towards the Pacific War, the total American interests in the Far East were valued at about U. S. \$800,000,000 of which about U.S.\$200,000,000 were accounted for in China, while the balance was in the Philippine Islands and other ter-

ritories. The American isolationists had advised America to sacrifice this, if necessary, and to get out of the Far East. But considerations of prestige, face and perhaps the tinge of imperialistic aggrandizement would not allow the American Government to entertain this advice; and America, gradually and perhaps unconsciously, precipitated towards an inevitable catastrophe.

But this catastrophe was to provide for her a vast market which South America did not offer. Europe would be a closed field for her after some time when European countries revive and resume their former position in the economic field. But in America the vast machinery which was geared for war would now be turned towards consumer and capital goods. These goods can be exported to the Far Eastern markets. China owes a lot to America for her present position freed from Japanese aggression. The Chinese Government therefore will, in gratefulness, accord facilities for importing American goods.

But in China, Manchuria and Korea, American interest will clash with that of Russia. This has a historical background. On the Asiatic mainland of China, Manchuria and Korea there has been an eternal tussle between eastward expansion of one Power against the westward expansion of another Power. In the past up to 19th century China together with Russia, and Japan were the actors in respective directions. Later Russia took the place of China when China was defeated by Japan in 1894-5. But Russia herself was also defeated by Japan in 1904-5 and was made to withdraw from Korea and Manchuria. And yet the tussle continued since 1905 and ended in 1945 when Japan was defeated. But Japan's place is now taken by America.

So, the present position is that Russia has continued in her role of eastward expansion, while America has now taken the place of Japan, fully and completely for westward expansion. But the position is complicated by the fact that China is divided—and this we assert, despite all talks of Nationalist-Communist rapprochement and Sino-Russian Treaty—into two camps, the Communists entrenched in the northern parts of China and the Nationalists in the south. The Communists would support Russia while the Nationalists will cooperate with the Americans. At this rate, perhaps an inevitable clash between Russia and America cannot be avoided. This is only the repetition of history. And China, Manchuria and Korea would again be the battleground. This development may be immediate or may take two or three years more. That is to say, until Russia has an atom bomb and has made sure that America has nothing better, Russia will not make any move. Russia may invent an antidote to atom bomb as well. When equipped with this, Russia would then be prepared for struggle ahead, unless in the meantime an explosion occurs in Russia itself.

But, for the time being, apparent calm prevails in China and Korea, and to a lesser extent in Manchuria. Business therefore can be carried on for the next few years. But no large commitments and investments in immovable properties should be made. A large volume of consumer goods, machinery and domestic requirements would be needed and America will have a large share therein with Russia coming close on her heels.

Philippines, however, will depend on America alone for some time more, as by tariff walls, other foreign goods can be kept out of the Islands. The Islands were included in the American Customs Union mainly as a sort of

protection for the Philippine sugar, which otherwise would have had to pay a heavy customs duty when imported into America. In that case the Philippine sugar could not have competed with sugar from other countries.

So, now the question is whether at the end of ten years, America will impose tariffs against the Philippine products and whether the Islands themselves will impose tariffs against American goods same as against all other foreign imports. If the Island Commonwealth decides to adopt the latter policy, then all other countries will have equal opportunities of trading with Philippines. But will that be to the interest of the Commonwealth?

On the answer to this question will depend the future of America's trade with Philippines. Let us see how the Commonwealth and America solve the problem.

3. GREAT BRITAIN

British possessions and Protectorates in the Far East are Malaya (which is under British Protection), Straits Settlement, British North Borneo, Sarawak (under British Protection) and Hongkong which includes Kowloon and the Leased Territory called "New Territories." The New Territories are taken on lease from China in 1899 for 100 years. Kowloon is on the mainland of China but is a British territory separated from Hongkong by $1\frac{1}{2}$ miles of sea and included in the Government of Hongkong. Both the Straits Settlement and the Colony of Hongkong have their own separate Governors, the Governor of the Straits Settlement acting as the High Commissioner and Crown Representative to the Federated and Unfederated Malay States. Both Hongkong and Straits Settlement are Colonies under the British Colonial

Office. For the most part, the government is conducted by Ordinances despite the existence of Legislative Councils.

But the administration is essentially conducive to a peaceful progress. No customs duties are levied and progress of business is assured. Hongkong acts as the entrepot to South China just as Shanghai acts to North China. Incidentally Shanghai will now lose its International Settlement as Britain and America have given up their extra-territoriality (or in short form "extrality") rights in China. The French have their own French Settlement and it is not yet declared by the French whether they have given up their rights as well.

British North Borneo (B.N.B.) is a Protected State administered by the British North Borneo Company. The Company appoints a Governor whose appointment must receive approval of the Secretary of State for Colonies in England. The Governor is responsible to the Court of Directors of the Company in England, and is assisted by a well-organised Civil Service, and orderly government is established there. Peaceful business is possible.

Sarawak is another British Protectorate. It is a state ruled by a British Raja, the present ruler being H.H. Sir Charles Vyner Brooke, the son of the first Raja.

As regards Malaya, we have discussed earlier the general position there.

Leaving the Siamese portion, the rest of Malaya consists of Federated and Unfederated Malay States under British Protection. The four Federated States are: Perak, Selangor, Negri Sembilan and Pahang. They have Councils. Each state is more or less independent within the Federation but guided by a British Resident. Recently, there is a movement in progress for independence

throughout Malaya. The Japanese, during their three-and-half years occupation, had, it seems, given impetus to this movement by putting the Malays in charge of the government there. This movement is likely to grow in strength ultimately leading to unification and independence. But it appears that Britain will handle the problem smoothly and there will be nothing to prevent good business in Malaya.

Generally speaking, all the British possessions would be soon returning to normal business, and it is safe to carry on trade and conduct industrial enterprises in those territories. Even large investments and commitments may be made there despite the rising tide of independence there. Even under a self-governing regime by the local people, not much dislocation is expected and safety of life and property may be assured.

4. FRANCE

The French possessions are French Indo-China and the Leased Territory of Kwang-Chau-Wan on the China Coast.

French Indo-China Government consists of the Colony of Cochin-China (with the capital at Saigon), the French Protected States of Annam, Cambodia, Tonking and Laos, and the leased territory of Kwang-Chau-Wan. The latter is on the China coast, south of Kwangsi Province of South China.

We have dealt with the situation earlier in this book which need not be repeated. It is enough to state that French Indo-China is ruled by a Governor-General sent from France. He administers the whole territory through a Resident-Superior in each of the States. Cochin-China is directly ruled by the French as a colony, same as

Kwang-Chau-Wan. There are Governors for the Colony of Cochin-China and Kwang-Chau-Wan. Each of the Protected States has a Council of its own. But the general tenor is that of overlordship over all the four States and the two gubernatorial governments of Cochin-China and Kwang-Chau-Wan.

At present Indo-China is seething with discontent. The French, with the help of the British, would try to suppress it. But the national movement for liberating the people from the French rule will ultimately gain ground. And unless France agrees to accord to the people a self-governing status, it is very likely that the area would remain in a disturbed state for a long time more. If peace is restored by suppressing the national movement, the French might re-introduce all those restrictions which might, as before, keep out other foreigners from the industries and commerce of Indo-China.

General conditions in French Indo-China, therefore, do not appear to be so satisfactory for business on a large scale in the near future. However, the export of rice from Indo-China would continue undisturbed.

5. HOLLAND (NETHERLANDS)

The Dutch have extensive territory in the Far East, the whole of which is known as the Dutch East Indies or Indonesia as it is now called, consisting mostly of islands. The principal islands are Java, Madura and Sumatra with several islands, Rian-Lingga Archipelago, Bali and Lombok, Bangka, Billiton and West Borneo, and numerous other small islands, and even a part of New Guinea (western part), and a part of Timor.

These territories are administered by Holland through a Governor-General and a Council. But the

Council has no share in the executive side of the government at the centre ever since its inception in 1925. There is some measure of self-government in the internal affairs in Provinces.

But as said before, people are not satisfied with the present status, and are aspiring for full independence of the territory after the Japanese evacuate the places.

Consequently, the area will remain in a disturbed state for some time at least. And yet fairly normal business with the Indonesian islands can be resumed in the near future. Queen Wilhelmina's declaration granting full independence and equality with Holland itself should save the situation if the declaration is implemented. In that case, no great upheavals are expected. Under such conditions, trade and commerce can be continued with Indonesia without much trouble. And with independent and self-governing Indonesia trade and investments will be quite safe.

6. PORTUGAL

Portugal has the Colony of Macao (about 40 miles north-east of Hongkong) and a part of Timor as the two principal centres of their influence in the Far East. Macao is a pretty little colony with a free port, while Timor has long been a Penal Settlement.

Macao is ruled by a Governor appointed by the Colonial Office in Lisbon. The Governor has a Legislative Council. Here an absolutely free atmosphere prevails for business. Investments are safe. Before the World War II the writer had, in a *Leader* in his paper *Canton Daily Sun* dubbed Macao as "Little Lisbon", and actually Macao had assumed that position in the Far East since the European War in September, 1939. And

after the Pacific War in December, 1941 it remained the only haven for all foreigners in that area.

Maaco has a few industries and safe conduct of business is assured as in Hongkong.

Portuguese Timor, a part of the Timor Archipelago, was formerly administered from Macao, but was separated from Macao in 1896 and placed under an Administrator sent from Lisbon and having the rank of a Governor. The area is about 7,330 square miles with a population of about 464,000. It has been mostly famous as a Penal Settlement. Yet it has some commercial products like coffee, sandal-wood, sandal-root, copra, wax, etc. Peaceful conditions prevail which are conducive to business.

GENERAL SUMMARY.

Thus, it will be seen that the sphere of influence of U.S.A. has now been pushed to the very door of the Indian Ocean. With China and Japan under her influence, America has become a paramount power in the Far East. Excepting in Malaya, Indonesia, Sumatra, Indo-China and Thailand, America has practically the whole of the West Pacific at her mercy just as other Pacific regions are similarly under her control and influence. Of course, we leave, for the present, Australia and New Zealand out of our survey. We do not, as a matter of fact, include these two countries in the Far East. They lie in the mid-Pacific and are included in the Antarctica. Thus, the Far East has become mainly American so far as the marine areas excepting the above territories are concerned. And even around these latter territories, the supremacy over water is that of America's. Of course, near Malayan waters the British

Fleet will have some say. Nevertheless the predominant position is held by America, and American influence will count for much in that area. America will have greater business facilities, and American products can find easy access to these hungry regions. British influence will be a powerful force in Malaya and Thailand, and if British manufacturers can spare products for the Far East, they have a good chance. The French cannot keep Indo-China supplied with their products, nor will the Dutch be able to meet the demands of the Indonesian people, as their home countries will not be able to produce for another three years, at least not so much as to spare for the Far Eastern markets. The U.S.A., therefore, will be one of the principal suppliers to the Far East. India, however, has a good chance to step in where Japan will have receded, and thereby revive the ancient ties with the Far Eastern countries. Japan herself will not be able to produce sufficiently for another five years so as to regain her former position as a supplier and a buyer of goods to and from other Far Eastern markets. India is the natural successor to Japan as a supplier to those regions.

PART II

THE ECONOMIC SITUATION

CHAPTER VI

THE MARKET

Having briefly stated the general political conditions obtaining in the various Far Eastern territories, the knowledge of which is quite essential for any economic intercourse with them, let us now proceed to the consideration of our main subject of this book, namely, the possibilities for business in that area.

The field offered is so vast and the market so extensive with millions of buyers that the combined production of India, America and Russia, that will remain the main suppliers to that area in the present circumstances, will not be sufficient to meet the demand. It is a market of about 680 million peoples distributed as below:—

Country	Population in 1,000's.
China including Mongolia, Tibet and Manchuria	450,000
Japan (with her former dependencies except Korea)	75,000
Korea	25,000
Indo-China	25,000
Thailand	15,000
Malaya (Federated and Unfederated)	4,000
Straits Settlement	1,250
Philippine Islands	14,000
Indonesia	70,476
Total ..	680,726

Say, roughly about 680,000,000 (or 68 crores) of people. This figure is one-third of the entire human race. Such a vast market is not negligible and is not to be neglected. And contrary to the prevailing belief, most of the people are modernized—perhaps more modernized than we in India—and accustomed to western mode of

living. Their wants are increasing; they are adopting western styles of dress; they are wanting to build cement houses to live and cement buildings for their factories; they are getting accustomed to all the western aids to dress and beauty. Indonesia alone imports, every year, about 86 millions guilders worth of cosmetics (a guilder is equal to about 2s. 8d. or about 7.8 guilders to one Pound Sterling. In Rupee currency one guilder will be about Rs. 1-14-0. That is to say, 86 millions of guilders are equal to about £11,100,000 or Rupees 14 crores). The same is the case with China. Their houses are gradually being fitted with modern house-fittings. And in modern cities of the Far Eastern area, like Hongkong, Shanghai, Canton, Tientsin, Peiping, Batavia, Saigon, Manila, Bangkok, Singapore and others, most up-to-date buildings are built and are being built. The process was hindered by the Sino-Japanese and the Pacific Wars. But with the end of the hostilities, there will outflow such a huge demand practically for anything that one has to offer to the people there that it may not be met. The position has been accentuated by Japan being out of the field temporarily at least. Japan was the principal supplier for these regions for various products. Now Japan has temporarily receded into the background. Here therefore is a chance for others until Japan reappears on the scene. It is not as if Japan's misfortune is to be exploited to other's advantage. But the situation as it is demands it and has to be faced.

Let us, therefore, see what the Far Eastern countries normally import and what they normally export. This will give us an idea of what other countries can export there and what they can purchase in return. War-time imports and exports are not reliable guides and may

not be taken into consideration. As far as possible we have taken normal years for our survey here. And though the figures may appear, at least, in some cases, rather out of date, they, nevertheless, represent more or less the correct normal situation.

CHAPTER VII

JAPAN

Pre-war Japan was a highly industrialised country. About 50% of her population depends on manufacturing industries, and the rest on agriculture, fisheries and services. Although highly industrialised, she has not like U.S.A., the necessary raw materials. Usually her imports exceed her exports, the deficit being used for home consumption and made up from indigenous products.

EXPORTS AND IMPORTS

The following figures for the three years preceding 1939 would reveal the position of imports and exports:—

	1937 (in 1,000's yen)	1938 (in 1,000's yen)	1939 (in 1,000's yen)
Total Imports	Y3,703,681	Y2,668,337	Y2,917,000
Total Exports	Y3,175,418	Y2,689,677	Y3,576,000

The details of the import of principal articles in 1938 and 1939 are given below:—

Principal Articles	Imports.	
	1938 (in 1,000's yen)	1939 (in 1,000's yen)
Ores and Metals	Y 662,000	Y 848,000
Raw Cotton	436,000	462,000
Machinery and Scientific Instruments ..	313,000	350,000
Oils and Fats	327,000	263,000
Drugs, Chemicals, etc.	182,000	171,000

Fertilisers	Y	63,000	Y	108,000
Soya Beans	"	80,000	"	90,000
Coal	"	67,000	"	78,000
Wool	"	94,000	"	73,000
Crude Rubber	"	51,000	"	57,000
Pulp for Artificial Silk	"	34,000	"	49,000
Salt	"	30,000	"	42,000
Wood	"	28,000	"	32,000
Hides & Skins	"	28,000	"	31,000

Exports.

Principal Articles	1938 (in 1,000's yen)	1939 (in 1,000's yen)
Raw Silk	Y 364,000	Y 507,000
Cotton Tissues	" 404,000	" 404,000
Machinery	" 156,000	" 209,000
Ores and Metals	" 121,000	" 139,000
Artificial Silk Tissues	" 116,000	" 137,000
Tinned and Bottled Foods	" 93,000	" 132,000
Timber	" 47,000	" 129,000
Paper Pulp and Paper Manufactures	" 81,000	" 120,000
Cotton Yarn	" 39,000	" 71,000
Iron Manufactures	" 52,000	" 76,000
Aquatic Products	" 22,000	" 62,000
Wheat Flour	" 61,000	" 54,000
Woollen Tissues	" 47,000	" 52,000

The above figures of import and export of some of the leading articles into and from Japan would give some indication as to what she requires in normal times. Of course, Japan was not passing through entirely "normal" times in 1938 and 1939, as she was engaged in the Sino-Japanese War since 1937. Strict regulations were enforced banning certain imports and exports. Rationing was in full force since Oct. 1937. War materials were imported on large scale, while import of consumer goods and articles of luxury was drastically reduced. For that reason, some of the figures for the import of minerals and metals, machinery, chemicals, scientific instruments and the like which owed their magnitude to wartime requirements may have been substantially increased. In normal times, however, the figures of imports of certain

articles might have been larger, because the import of materials not specifically required for war purposes was restricted while that of materials for war purposes was encouraged. And yet the above figures are fairly representative.

For the sake of further clarification, we may take the following detailed figures for 1937 which were more or less normal for Japan, though in July 1937 war broke out again between China and Japan. The figures of exports and imports in that year are given below:—

Exports		Imports	
Articles.	Value (in 1,000's yen)	Articles.	Value (in 1,000's yen)
Foodstuffs : total ..	248,084	Foodstuffs : total ..	251,470
Rice and Paddy ..	2,306	Rice and paddy ..	4,033
Beans and Peas ..	9,830	Wheat ..	29,604
Aquatic products ..	21,916	Beans and peas ..	92,547
Other Raw Foodstuffs	17,528	Other raw foodstuffs	56,955
Wheat flour ..	30,746	Sugar ..	18,806
Tea ..	23,181	Beef ..	6,878
Sugar ..	20,442	Others ..	42,647
Cornstibles in tin and bottle ..	86,905	Raw materials : total	1,994,563
Other manufactured foods ..	36,735	Materials for oils ..	43,612
Raw materials : total	133,136	Crude oil and levy oil	....
Dried plants for in- secticides ..	7,693	India rubber ..	99,218
Coal ..	9,927	Sulphate of Ammo- nium ..	20,191
Lumber ..	35,412	Phosphorous rock ..	30,810
Other ..	80,104	Oil cakes ..	45,310
Manufactured mate- rials total ..	814,591	Cotton, ginned ..	851,163
Vegetable oils and waxes ..	23,662	Wool ..	298,404
Raw silk ..	407,118	Coal ..	59,224
Cotton yarns ..	54,908	Ores ..	....
Rayon ..	44,809	Lumber ..	64,817
Iron bars, etc. ....	....	Wheat bran ..	10,653
Copper ..	15,161	Others ..	471,161
Brass ..	5,867	Manufactured ma- terials : Total ..	1,095,256
Others ..	26,3305	Leather ..	44,571
Manufactured goods : total ..	1,89,0999	Synthetic colours ..	16,928
		Pulp for paper making	116,720
		Iron, pig, plates, &c.	Figures not available

Exports		Imports	
Articles.	Value (in 1,000's yen)	Articles.	Value (in 1,000's yen)
Silk tissues	72,286	Aluminium	"
Rayon tissues	154,860	Lead	"
Cotton tissues	578,065	Copper	"
Woollen tissues	50,082	Tin	"
Knitted tissues	60,718	Others	917,087
Hats	26,337	Manufactured goods	
Buttons	18,737	total	420,798
Papers	38,708	Gasoline .. ..	....
Cement	6,836	Automobiles and parts	
Potteries	58,971	Machines	158,092
Glass and Manufac- tures	33,572	Others	262,706
Iron manufactures	54,116	Miscellaneous	14,233
Rubber tyres	12,983	Re-imports	6,857
Machines	109,881	Grand total of im- ports	3,788,177
Toys	42,295	Excess of imports over exports	607,759
Others	596,274		
Miscellaneous	36,014		
Re-exports	43,877		
Grand total of exports	3,175,418		

However, in assessing the requirements of Japan one must take into consideration the purchasing power of the people. At present, this is at the lowest ebb. Aerial bombings have wrought considerable destruction and people must have lost a good portion of their belongings. The Atom bombs have destroyed Hiroshima and Nagasaki, almost completely. Of course, the richer Houses—the capitalists—have not lost much, because a considerable part of their investments are in Manchuria and North China. Unless these investments are expropriated, their purchasing power will not be much crippled, as war had not overtaken these regions. But the actual buyers have not got much valuable assets with which to buy or to produce. The war has besides taken away in taxes a good slice of their earnings. Over and above this, the people of Japan have voluntarily given up their might

for war purposes whatever they could spare, even at a great sacrifice.

It is not therefore possible for the Japanese to buy as much as they were buying from foreign countries till 1941, nor can they produce as much as they were doing before. They would require capital for both the purposes. And this cannot be easily supplied to them. But unless they resume their activities in trade and industries, they can hardly survive, as 50% of them lived on manufacturing industries. If this is not done, the Japanese people would die of starvation in millions. Perhaps the Americans who are in occupation of their country may not allow the conditions in Japan to deteriorate to that stage. They might therefore supply the necessary capital and provide work for the Japanese, so that the latter can resume their trade and industries to some extent, at least, for the production of raw materials. This means that some Japanese goods would still be sold through the medium of the Americans in the Far Eastern markets, unless it is provided in the Peace Treaties that Japanese goods are not to be sold in the Allied countries for three to five years, just as was done in the case of German Goods for 5 years at the end of the World War I.

The future economic position of Japan will therefore depend on the settlement of this question. And if America is to get a share in Japan's trade, other countries also may reasonably expect to have some share in that trade. But in no case would Japan be able, even at the end of five years, to supply to the Far Eastern markets such quantities of her products as she used to do before. Reduced shipping will further complicate matters. Substitutes will, therefore, have to be found by other countries to take the place of the Japanese goods.

CHAPTER VIII

CHINA

The case of China is slightly different. She is now apparently a free country. Peace is now restored after 15 years of struggle with Japan. If internal peace is established by real rapprochement between the Nationalists and the Communists, then the stage will be set for rapid economic development. But chances are that this optimism may prove to be premature. We state this despite the Sino-Russian Treaty and the reported negotiations between the Nationalists and the Communists for unity in China. We have no faith in these outward developments. However, temporary peace seems to be in sight. The Government and the people can now set about doing things in the manner as they choose. Their first care is to rehabilitate trade and industry which have been badly dislocated during the period of the war. The Chinese are one of the most industrious peoples of the world. They would therefore begin reconstruction right away.

But they also would require capital, both for industrial and commercial purposes. The popular methods to raise capital or loans in China were to mortgage the customs revenue, or to give monopoly of entire output of some important product of China which is most in demand in foreign countries. An instance in point of the first is provided by some of the Railway Loans secured by the Customs receipts, and of the latter by the entire sale of Tung (wood) oil to an American syndicate. These and other means will be adopted by China to get the necessary capital for reconstruction.

China would require capital mainly for the following:—

1. To support her currency
2. To build railways and to construct roads
3. To build houses, as a vast number of these were destroyed during the war, as a result of the fighting, aerial bombings and scorched earth policy of the Chinese. In Canton alone where the "Scorched Earth" policy was applied in all its severity, more than 15,000 houses have been destroyed. Reconstruction would need enormous quantities of materials and money for the necessary services.
4. To build factories.
5. To promote industries
6. To finance or facilitate international commerce.
7. To purchase steamships, warships, aeroplanes or to construct them.
8. To carry out irrigation projects
9. To carry out great engineering projects for producing electricity, etc.
10. To re-establish her educational institutions and to publish the needed literature and all the rest.
11. To run steamship, airship and other transportation services.
12. To purchase raw materials, oil, machinery, rice and other foodstuffs, and other requisites from abroad.

These and various other items would require large sums. These she must obtain by selling whatever she has got to sell, such as raw silk, silk piecegoods, essential oils, tea, and other products. Let us therefore see what China normally exports and what she imports from foreign

countries. For this purpose, we take the years 1934 and 1935 as illustrations, because these years are more representative of the normal conditions in China than others. The first phase of the Sino-Japanese War, that is, the period from 1931-33, had then just ended, and some sort of peace had prevailed in 1934 and 1935, and the second phase of the war had not yet begun (which did in July 1937). The year 1934 again will show conditions somewhat similar to the conditions prevailing now after the cessation of the Sino-Japanese War in 1945, though in no sense quite the same. At present a much wider area is affected, and the Japanese will have completely withdrawn from China. In 1934 and 1935 the Japanese had occupied North China, and the monetary and trading conditions were considerably disturbed there. And yet, we can safely take 1934 and 1935 as representative years in preference to those following. The Chinese Dollar (Yuan) was more stable in those years (at about 1s. 6d. and later stabilised at 1s. 2d. at the end of 1935) than in any other years.

The value of imports and exports of China in Chinese Dollars (Yuans) in those years is given below:—

<i>Articles</i>	Imports	
	1934	1935
	<i>(normal year)</i> <i>(in 1,000's yuans)</i>	<i>(normal year)</i> <i>(in 1,000's yuans)</i>
Cereals and Flour	\$ 111,743	\$ 135,917
Candles, Soaps, Oils, Fats, Waxes, Gums and Resins	109,216	101,696
Metals and Ores	98,884	87,442
General Sundry List	55,615	69,504
Cotton and Manufactures thereof ..	126,902	68,679
Machinery and Tools	59,306	65,858
Books, Maps, Paper and Wood Pulp ..	49,552	53,124
Dyes, Pigments, Paints and Varnishes ..	38,872	37,611
Chemicals and Pharmaceuticals ..	41,594	37,443
Miscellaneous Metal Manufactures ..	53,843	34,805

Articles	1934		1935	
	(normal year) (in 1,000's yuans)		(normal year) (in 1,000's yuans)	
Timber	\$	34,152	\$	34,768
Vehicles and Vessels	"	36,961	"	30,584
Sugar	"	32,686	"	27,672
Wood and Manufactures thereof	"	35,927	"	20,411
Fishery and Sea Products	"	18,211	"	19,028
Flax, Ramie, Hemp, Jute and Manufactures thereof	"	11,507	"	13,167
Animal Products, Canned Goods and Groceries	"	13,595	"	11,778
Tobacco	"	34,016	"	11,300
Coal, Fuel, Pitch and Tar	"	12,135	"	9,199
Medicinal Substances and spices	"	9,016	"	8,689
Silk (including artificial silk) and Manufactures thereof	"	7,567	"	8,046
Wood, Bamboos, Rattans, Coir, Straw, and Manufactures thereof	"	10,168	"	7,541
Fruits, Seeds and Vegetables	"	7,328	"	6,948
Chinaware, Enamelware, Glass, etc.	"	6,918	"	5,762
Stone, Earth and Manufactures thereof	"	5,517	"	4,736
Hides, Leather and other Animal Substances	"	6,099	"	4,580
Wines, Beer, Spirits, Table Waters, etc.	"	3,228	"	2,965
Total ..	\$	1,030,553	\$	919,198

Some of the main categories may be detailed as below:—

	1934		1935	
	(in 1,000's yuns)		(in 1,000's yuns)	
I. Cereals and Flour :				
Rice and Paddy	\$	65,084	\$	89,562
Wheat	"	31,869	"	34,887
Wheat Flour	"	7,075	"	6,006
Other Cereals and Flour	"	7,114	"	5,460
Total ..	\$	111,742	\$	135,915
II. Candles, Soaps, etc. :				
Gasolene, Naphtha, Benzine				
Mineral	\$	19,311	\$	19,586
Liquid Fuel	"	21,267	"	19,534
Kerosene Oil	"	39,750	"	37,606
Candles, Soaps, Oils (others), Fats, Waxes, Gums, Resins, etc.	"	28,887	"	24,969
Total ..	\$	109,215	\$	101,695

III. Cotton and Manufactures thereof:

Cotton Piecegoods	\$	26,781	\$	20,604
Raw Cotton	"	90,246	"	40,913
Cotton Yarn	"	2,938	"	2,218
" Thread	"	2,490	"	2,014
" Waste, Yarn Waste	"	195	"	36
and Wadding	"	8,350	"	2,891
Sundry Cotton Manufactures	"		"	
Total ..	\$	126,000	\$	68,676

These statistics of imports will furnish ideas to foreign exporters as to what articles can be marketed extensively in China. It is true that the Chinese will not be able to order all the above articles at once, because their purchasing power is not at present at the same level as in the 1934-35 period. The war had hindered the general production of wealth in the country which in turn has affected the purchasing power of the people. And yet, it may be assumed that with the restoration of some sort of normalcy in the country, the people of China should begin to buy in considerable quantities from foreign countries. In order to be able to exchange their own products for such foreign imports as they need, they would do their very best to produce as much as possible. Both the Chinese and the Japanese have great power of adaptation, and they are sure to face the situation without being cowed down by circumstances.

Now, let us see what China usually sends out to foreign countries:—

Exports

Articles	1934 (normal) (in 1,000's yns)	1935 (normal) (in 1,000's yns)
Textile Fibres	\$ 74,760	\$ 97,395
Animals and Animal Products (other than hides, leather, skins (furs), and fishery and sea products)	77,866	80,255
Oils, Tallow and Wax	31,664	57,279

<i>Articles</i>	1934 (<i>normal</i>) (in 1,000's <i>yans</i>)	1935 <i>normal</i> (in 1,000's <i>yans</i>)
Seeds	\$ 27,984	\$ 40,000
Ores, Metals and Metallic Products ..	" 30,787	" 48,574
Yarn, Thread, Plated and Knitted Goods	" 34,810	" 42,457
Tea	" 36,098	" 29,624
Sundry List	" 29,648	" 25,048
Hides, Leather and Skins (Furs) ..	" 29,107	" 23,628
Cereals and Cereal Products ..	" 15,722	" 18,920
Piecegoods	" 30,763	" 18,888
Medicinal Substances and Spices (not including chemicals) ..	" 10,093	" 9,147
Tobacco	" 9,431	" 9,051
Fuel	" 8,205	" 8,572
Fruits, fresh, dried and preserved ..	" 8,953	" 8,545
Vegetables	" 9,348	" 8,348
Other Textile Products	" 6,370	" 7,669
Chemicals and Chemical Products ..	" 5,866	" 5,888
Beans and Peas	" 6,053	" 5,255
Paper	" 5,118	" 4,809
Stone, Earth, Sand and Manufactures thereof including Chinaware and Enamelware	" 3,160	" 3,330
Fishery and Sea Products	" 3,074	" 3,098
Bamboo	" 2,639	" 2,543
Dyestuffs, Vegetables	" 2,290	" 2,300
Printed Matter	" 2,496	" 2,209
Timber, Wood and Manufactures thereof	" 1,602	" 1,917
Spirituous Beverages	" 1,064	" 1,013
Glass and Glassware	" 312	" 250
Rattan	" 116	" 113
Sugar	" 18	" 2
Total ..	\$ 525,806	\$ 569,577

that is to say, about 525,806,000 and 569,577,000 respectively.

Details of some of the major items are as below:—

<i>Articles</i>	1934 (in <i>yuan</i> s)	1935 (in <i>yuan</i> s)
I. Textile Fibres:		
Raw Cotton	\$ 15,200,879	\$ 21,732,316
Ramie	" 8,432,616	" 6,173,175
Silk (raw)	" 28,755,088	" 40,537,926
Sheep's Wool	" 12,263,904	" 14,245,737
Other Textile Fibres ..	" 10,107,899	" 14,706,706
Total ..	\$ 74,760,986	\$ 97,395,860

<i>Articles</i>		1934 (in <i>yuans</i>)	1935 (in <i>yuans</i>)
II. Animal and Animal Products :			
Bristles		\$ 15,127,155	\$ 16,224,805
Eggs and Egg Products ..		„ 30,243,526	„ 32,069,462
Intestines		„ 8,272,399	„ 9,038,705
Animals and Other Animal Products		„ 24,223,445	„ 22,922,820
Total ..		\$ 77,866,525	\$ 80,255,792
III. Oils, Tallow and Wax :			
Wood Oil		\$ 26,216,683	\$ 41,582,679
Oils (others) Tallow and Wax ..		„ 5,448,006	„ 15,696,951
Total ..		\$ 31,664,689	\$ 57,279,630
IV. Seeds :			
Groundnuts (in shell) ..		\$ 2,987,566	\$ 3,883,741
„ (shelled)		„ 9,384,007	„ 15,768,009
Apricot Seed		„ 1,513,098	„ 2,682,843
Sesamum		„ 4,993,750	„ 16,577,554
Other Seeds		„ 9,056,304	„ 10,138,365
Total ..		\$ 27,934,725	„ 49,000,512
V. Ores, Metals and Metallic Products :			
Wolfram Ore		\$ 6,315,349	\$ 6,698,145
Antimony		„ 4,181,818	„ 7,961,876
Tin Ingots and Slabs		„ 14,173,318	„ 20,381,104
Other Ores, Metals and Products		„ 6,063,759	„ 8,530,513
Total ..		\$ 30,737,274	\$ 43,574,638
VI. Yarn, Thread, Plaited and Knitted Goods :			
Cotton Yarn		\$ 31,293,901	\$ 19,213,489
Yarn (others), Thread Plaited and Knitted Goods ..		„ 23,025,661	„ 23,243,615
Total ..		\$ 54,319,562	\$ 42,457,104

The above figures of Imports and Exports reveal one important fact that China is essentially a buyer country in point of her vital necessities such as foodstuffs and clothing, and thus provides a vast market for foreign

goods. Of course, she has for export some large surplus quantities of such commodities as silk, tea, oils and mineral ores. But even then she cannot avoid the trade balance going against her. Her exports are practically half of her imports even in fairly normal times. But in these days, China's demand for goods is likely to exceed her former purchases, as many more items of goods, machinery, ores etc. would be required for her post-war reconstruction. Her demand for goods would be progressively increasing according to the increase in the purchasing power of the people. We are not considering here wartime statistics, as the Chinese Dollar had depreciated considerably, and giving the value in that Dollar currency would not give a fair and comparative idea of the exports and imports before and during the war. Hence the figures given above may be taken as a fair guidance to China's normal requirements and her exportable surplus when the Chinese Dollar was more or less on stable basis.

CHAPTER IX

INDONESIA

Indonesia (or the Dutch East Indies) is practically from every point of view, foremost amongst the richest spots of the world. It has agricultural, mineral and forest resources of the most valuable type. Amongst these may be mentioned, petroleum, kerosene, quinine, spices, coal, tin, coffee, tea, rubber, sugar, tobacco, etc. Consequently, Indonesia is as great a seller as it is a purchaser. The trade balance is in its favour. And yet,

the purchases of the large population of the Indies, about 70,000,000, run into figures that are quite imposing. These are noteworthy and hence furnished below, the value being expressed in the Indonesian Guilder:—

Imports		1938	1939
<i>Articles</i>		<i>(in 1,000's guilders)</i>	<i>(in 1,000's guilders)</i>
Living Animals and Fresh Plants ..	G	200	G 200
Cosmetics and Table Luxuries ..	"	89,000	" 87,000
Animal and Vegetable Products ..	"	5,000	" 4,800
Minerals	"	12,900	" 12,600
Chemical Products	"	41,600	" 40,500
Earthenware and Porcelain ..	"	3,600	" 3,800
Glass and Glassware	"	5,500	" 4,800
Wood and Timber, Cork, Vegetables, Plating Materials and Furni- ture	"	6,300	" 4,000
Hides, Leather and Articles made therefrom	"	3,800	" 3,200
Yarns, Piecegoods and Rope ..	"	121,700	" 123,300
Paper and Paperware	"	16,500	" 16,400
Metals, Excluding Gold and Silver ..	"	58,200	" 59,200
Carriages, Vehicles, Vessels, etc. ..	"	40,500	" 35,600
Machinery, Implements, Apparatus and Tools	"	66,700	" 61,400
Other Articles	"	7,000	" 6,500
Total ..	G	478,500	G 472,300

That is to say, the value of imports in 1938 and 1939 was G.478,500,000 and G.472,400,000 respectively.

Details of some of these goods are interesting:—

<i>Articles</i>		1938	1939
		<i>(in 1,000's guilders)</i>	<i>(in 1,000's guilders)</i>
I. Piecegoods:			
Yarns	G	14,980	G 18,581
Cotton Unbleached	"	6,718	" 10,035
" Bleached	"	25,850	" 18,877
" Dyed and Printed	"	20,647	" 26,430
" Coloured Weave	"	8,871	" 9,680
" Muslin	"	1,987	" 2,906
Other Kinds Ready for use ..	"	18,912	" 16,333
Total ..	G	97,965	G 102,842

that is, G.97,965,000 in 1938 and G.102,842,000 in 1939.

Of these Japan supplied G.41,912,000 worth of piece-goods in 1938 and G.54,435,000 worth in 1939. That is to say, Japan accounted for about 43% in 1938 and about 53% in 1939.

Other categories are:—

<i>Articles</i>		1938 (in 1,000's guilders)	1939 (in 1,000's guilders)
II. Other Articles of Consumption :			
Matches	G	1,007	G 1,057
Aniline	"	3,438	" 2,774
Hard Washing Soap	"	200	" 140
Earthenware White and Course ..	"	200	" 282
Earthenware, Fine, Japan ..	"	664	" 525
Bicycles	"	5,339	" 4,169
Sewing Machines	"	1,550	" 1,545
Chunkois	"	513	" 354
Paraffin Lamps, Hanging and Wall	"	159	" 224
Bicycle Tyres	"	636	" 701
Total	G	13,710	G 11,821

That is, G.13,700,000 in 1938 and G.11,840,000 in 1939.

Of these Japan's share was G.3,508,000 in 1938 and G.2,940,000 in 1939.

<i>Articles</i>		1938 (in 1,000's guilders)	1939 (in 1,000's guilders)
III. Machinery :			
Steam Engines	G	353	G 358
Dynamos	"	2,268	" 1,488
Combustion Engines	"	2,549	" 1,563
Hoisting Engines	"	1,195	" 1,228
Pumps, Engine-Driven	"	2,352	" 2,913
Machinery for Sugar Factories ..	"	401	" 345
Machinery for Tea Factories ..	"	126	" 77
Machinery for Rubber Facto- ries	"	575	" 368
Machinery for Mining	"	10,542	" 5,016
Machinery for Other Factories ..	"	3,028	" 3,136

Of these Japan supplied in 1938 only G.126,000 worth machinery and in 1939 only G.130,000 worth.

		Exports	
Articles		1938 (in 1,000's guilders)	1939 (in 1,000's guilders)
Animal Products and Products made therefrom	G	8,000	G 8,400
Rubber and Gutta Percha	"	157,500	" 217,400
Drugs and Spices	"	30,200	" 28,800
Coffee	"	13,700	" 11,900
Fruits and Seeds containing Oil and Fat, and Vegetable Oils and Fats	"	65,800	" 49,300
Sugar	"	45,200	" 78,000
Tobacco	"	38,800	" 26,900
Tapioca Products	"	9,200	" 9,900
Tea	"	56,200	" 57,100
Fibres	"	16,100	" 19,700
Other Vegetable Products	"	29,200	" 29,100
Petroleum, Products thereof and Mineral Fuel	"	164,000	" 159,000
Cement, Ores, Non-Precious Metals, Trass, Sulphur and Minerals	"	39,400	" 64,200
Articles of Various Kinds	"	3,900	" 4,300
Sundry Foreign Products	"	2,500	" 3,200
Total ..	G	679,700	G 767,200

That is to say the total value of exports in 1938 was G.679,700,000 and in 1939 it was G.767,200,000.

The world percentage of Production (P) or Exports (E) of some of the leading Indonesian products for the five years from 1935 to 1939 is as below:—

Product		1935 world %	1936 world %	1937 world %	1938 world %	1939 world %
Cinchona Bark .. (P)		89	89	82	90	not known
Kapok (E)		78	78	70	63	..
Pepper (E)		83	92	79	85	86
Rubber (E)		32	36	38	33	37
Cocconut and its Products .. (E)		28	29	29	29	27
Agave (E)		26	23	26	27	33
Tea (E)		17	18	17	17	19
Sugar (P)		2	2	5	5	6
Coffee (E)		5	6	7	4	not known
Palm Oil Products (E)		16	17	19	24	24
Cocoa (E)		0.2	0.2	0.2	0.2	0.2

INDONESIA

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Exports and Imports according to their countries of destination and countries of origin together with the values thereof are given below:—

Imports

<i>Country of Origin</i>	1938		1939	
	<i>(value in 1,000's guilders)</i>		<i>(value in 1,000's guilders)</i>	
Netherlands	G	106,170	G	99,271
Great Britain and Irish Free State	"	38,162	"	33,328
Germany (including Austria) ..	"	49,053	"	41,205
France	"	9,410	"	9,241
Belgium and Luxembourg	"	13,189	"	12,003
Italy	"	5,052	"	6,198
Switzerland	"	4,421	"	4,147
Sweden	"	8,544	"	3,060
Other European Countries	"	10,785	"	8,180
<hr/>				
Europe	G	239,766	G	217,238
U. S. A.	"	60,205	"	63,706
Canada	"	3,667	"	3,511
Other American Countries	"	547	"	496
<hr/>				
America	G	64,419	G	67,718
Japan and Formosa	"	71,968	"	85,114
British India (including Burma and Ceylon)	"	18,380	"	14,892
Honang	"	4,279	"	3,015
Singapore	"	36,176	"	33,807
Hongkong	"	6,467	"	6,705
(including Macao)	"	8,248	"	10,189
.. .. .	"	2,584	"	4,172
Asiatic Countries	"	6,240	"	6,287
<hr/>				
Asia	G	154,342	G	164,131
Australia	"	13,290	"	15,379
Egypt and the Sudan	"	426	"	594
Portuguese East Africa	"	3,209	"	3,874
Union of South Africa	"	169	"	344
Other African Countries	"	594	"	1,685
<hr/>				
Africa	G	4,398	G	6,497
Via Sabang, P. Samboe Tdj. Oeban and Unknown	"	2,215	"	1,490
Total ..	G	476,450	G	472,443

		Exports	
Country of Destination		1938	1939
		(value in 1,000's guilders)	(value in 1,000's guilders)
Netherlands	G	137,487	G 111,176
Great Britain and Irish Free State	"	37,321	" 85,572
Germany (including Austria) ..	"	25,457	" 14,747
France	"	11,990	" 11,886
Belgium and Luxembourg	"	5,694	" 3,650
Italy	"	9,730	" 17,194
Denmark	"	10,085	" 5,317
Norway	"	5,381	" 6,246
Other European Countries	"	12,280	" 8,263
Europe	G	255,434	G 213,551
U. S. A.	"	97,876	" 157,268
West Indies	"	2,314	" 1,499
Other American Countries	"	7,785	" 8,159
America	G	107,975	G 166,928
Japan and Formosa	"	21,763	" 26,345
British India (including Burma and Ceylon)	"	9,028	" 31,409
Penang	"	7,722	" 19,742
Singapore	"	116,654	" 132,117
Hongkong	"	13,493	" 13,593
China (including Macao)	"	9,876	" 9,971
Philippine Islands	"	6,015	" 4,840
Irak and Iran	"	4,733	" 9,511
Other Asiatic Countries	"	11,820	" 22,496
Asia	G	201,104	G 270,024
Australia	"	36,792	" 42,414
Egypt and the Sudan	"	29,078	" 25,422
Portuguese East Africa	"	592	" 1,625
Union of South Africa	"	5,283	" 5,910
Other African Countries	"	2,308	" 1,755
Africa	"	37,861	" 34,712
Via Sabang, Tj. Oeban P. Samboe, and unknown	"	47,884	" 46,059
Total	G	687,050	G 773,686

The above statistics of exports and imports clearly indicate the vast extent of business possibilities in the Indies. With a population nearly one-seventh that of China, the value of Indonesian imports is about equal to

that of the former (one guilder is normally equal to about 2½ Chinese Dollar "Yuan"). But in the matter of exports, Indonesia leads China, the value of Indonesian exports being about twice as much as that of China. This field is likely to be expanded in the post-war period. It is anticipated that the Indies would invite more investments and goods in reconstruction of those territories. Possibilities of business are therefore greater in the Indies at present.

The important factor is that there is no difference between the imports from Netherlands (Holland) and other foreign countries. Holland is placed on the same level as any other foreign country in point of tariffs. Another significant fact is that Japan's share amounted on an average to about 12 to 15% in the import trade of the Indies in normal times, while in the case of certain important items like piecegoods, earthenware (coarse), hard washing soaps, bicycles, paraffin lamps, etc., Japan's share has been more than 50%. In fine earthenware (crookery), Japan's share has been about 85 to 90%. However, in the case of Indonesian exports to Japan, the latter takes only about 3½% of the total exports of Indonesia.

CHAPTER X

INDO-CHINA AND MALAYA

Indo-China is another important country having many valuable resources of all types except oil. It is one of the few eastern countries that produce anthracite coal besides bituminous. Another important and per-

haps the only other country of the east producing anthracite coal is China, with a small quantity in Japan. Besides coal, Indo-China produces such important articles as rice, cinnamon, sugar, tea, maize, manioc, hardwoods, bamboos, lacs, herbs, essential oils, zinc, tin, lead, copper, antimony, gold, wolfram and cement stones. The output of the important minerals in 1939 was as below:—

<i>Mineral.</i>	<i>Output in 1939 (in Metric Tons)</i>	
Anthracite Coal	Tons	2,615,000
Zinc	"	5,867
Tin	"	1,491
Wolfram	"	304

There is the Customs Union of Annam, Tonking, Cochin-China and Cambodia together with the state of Laos and the territory of Kwang-Chau-Wan. The production, exports and imports of each of the federating units of the Union are as below:—

(1) COCHIN-CHINA

Cochin-China is the richest member of the Union. Its production of principal articles is as below:—

<i>Article.</i>	<i>1938 (in Metric Tons)</i>	
Rice	Tons	3,714,656
Sugar	"	11,577
Tobacco, Coffee, Rubber ..	"	41,158

Other products are cocoanuts, betel-nuts, oranges, pepper, bananas, sweet potatoes, maize, cotton, pineapples, beans, etc. Exports in Metric tons were (in 1938): rice, 1,077,637 tons; maize, 434,000 tons; dried and salted fish, 26,652 tons; pepper, 5,450 tons; copra, 9,839 tons; rubber, 60,080 tons. Chief port: Saigon. Total exports were: 2,211,357,893 francs; total imports were 1,127,457,229 francs.

(2) ANNAM

Products of Annam are: rice, cotton, maize and other cereals, areca nut, mulberry, cinnamon, tobacco, sugar, betel, manioc, bamboos, timber, cardamums, coffee, dyes, medicinal plants, coutchoue, raw silk, gold, copper, zinc, coal, iron ore, salt, etc.

Chief imports are: cotton-yarn, cottons, tea, petroleum, paper goods and tobacco. Chief exports are: sugar, rice, cotton and silk tissues, cinnamon, tea and paper. Imports were valued in 1938 at 47,738,000 francs, while exports at 112,859,000 francs. Chief port is Tourane.

(3) CAMBODIA

Like her sister states, Cambodia is also highly resourceful, the chief product being rice. Other products are silk, pepper, maize, cotton, palm sugar, tobacco, kapok and rubber, most of these being exported. The figures of production of some of these in 1938 were as below:—

<i>Article.</i>		<i>Metric Tons.</i>	<i>Article.</i>	<i>Metric Tons.</i>
Pepper	..	3,500	Rice	1,200,000
Maize	..	400,000	Forest Products,	
Rubber	..	19,000	Fisheries, Tim-	
			ber, etc.	

Imports & Exports

Articles usually imported include salt, beverages, textiles, chemicals, cigarettes, iron and opium. Principal exports are: rice, salted fish, pepper, maize, cotton, tobacco, fish-oil, palm sugar, sticklac, kapok, wood, resin, hides and cattle. Its harbours are Kep and Ream, but most of the foreign exports, especially rice, pass through Saigon.

(4) TONKING

As in other units of the Union, the principal crop in Tonking is rice, total production of which (in 1939) was 1,956,322 Metric tons. Other products are maize (123,077 tons), arrow-root, sugar-cane, coffee, tea, various fruit trees, tobacco, raw silk, limestone, calamine, tin and coal.

In 1939, imports were valued at 946,439,000 francs; exports were valued at 548,119,000 francs. Imports include principally, tools and machinery, yarn and tissues, beverages. Principal exports are iron, coal, rice, maize, cattle, tea, essences for perfumery, castor oil, lac, oils, bottom paints for ships. Chief port is Haiphong.

(5) LAOS

Chief product is rice, its production in 1939 being 373,120 tons. Other products are: cotton, indigo, tobacco, benzoin, cardamum, sticklac and fruits, teak, gold, tin, lead, and precious stones. Small quantities of all these are exported.

(6) KWANG-CHAU-WAN

Kwang-Chau-Wan usually imports cotton yarns, petroleum, matches, refined sugar and cunao (for tinctorial purposes). The exports are: straw sacks, cattle, pigs, brown sugar, ground-nuts and firecrackers. In 1939, imports were valued at HK\$42,818,360 (Hongkong Dollars) and exports in the same year were valued HK\$26,970,747 (Hongkong Dollars).

Thus, it will be seen as to why Indo-China is such a valuable possession for the French. The total imports of Indo-China in 1939 amounted to 2,382,262,000 francs in value, while total exports amounted to 3,494,724,000 francs. Exports include rice, rubber, coal, pepper, cat-

tle, fish, hides, corn, zinc and tin ore. The exports of rice and rubber (in 1939) were as below:—

Article.	Metric Tons.	Value in francs.
Rice	1,892,000	1,886,000,000 francs.
Rubber	68,000	956,000,000 ..

Principal imports are: cotton and silk piecegoods and yarn, metal goods, machinery, kerosene, motor cars, cosmetics, etc.

The local coin in Indo-China is Piastre whose ratio is fixed with the French Franc at 10 francs to 1 Piastre. Thus the total imports and exports (in 1939) when reduced to Piastres come up to:—

Exports	=	349,472,400 Piastres
Imports	—	238,226,200 ..

MALAYA

Next to Indonesia, Malaya is the richest prize, its only drawback being lack of oil. Several Chinese millionaires and billionaires made their piles in Malaya, just as several European firms have done. Most of the employers are Europeans (mainly British) and Chinese, while most of the labourers are Indian and Chinese. The Malays, the original inhabitants of the place, mainly supply labour.

The whole of Malaya is politically divided into four divisions (1) Siamese Malaya, (2) Straits Settlement, (3) Federated Malay States, and (4) Unfederated Malay States. The last three comprise the British Malaya. The Straits Settlement is a Crown Colony, and the Federated and Unfederated Malay States are British Protectorates. Given below are the figures of the production, exports and imports of the entire British Malaya. The figures for Siamese Malaya will be included in those for Siam (Thailand) itself.

Malaya is a source of many valuable products, the principal being tin and rubber. These have made Malaya world-famous. Of the world production of tin, Malaya contributes about 37 per cent. Of the total production of tin in Asia, Malaya produces about 54%. In the world production of rubber, Malaya's share is 47 per cent. Some idea of the production can be obtained from the following figures (1939):—

<i>Product.</i>	<i>Quantity (in Standard British Ton or Long Ton.)</i>
Rubber	361,484 Tons.
Tin	51,090 „
Tungsten.. .. .	200 „
Coal	441,025 „
Gold	40,283 Ounces.

Other products are: timber, rice, gutta-percha, gums, oils, resins and canes, copra, pepper, arecanuts, fish, pine-apples, rattans, sago, etc. As most of the foreign trade of Malaya passes through the Straits Settlement Ports of Singapore and Penang and some through Port Sweetenham, the value and details of the exports and imports passing through the Straits Settlement represent the trade of British Malaya as a whole. In 1939, therefore, the position of principal exports and imports was as below:—

Imports		Exports	
<i>Article.</i>	<i>Value (in 1,000's £)</i>	<i>Article.</i>	<i>Value (in 1,000's £)</i>
Rice	6,059	Rubber	43,650
Rubber	13,194	Tin	18,471
Motor Spirit	5,791	Motor Spirit	4,051
Cigarettes	1,767	Copra	1,221
Cotton Piecegoods ..	1,789	Rice	1,194
Machinery	2,124	Fish, Dried and	
Pepper	278	Salted	883
Kerosene	1,759	Pepper	352
Milk (condensed) etc. ..	1,204	Arecanuts	1,111
Fish Dried and		Cotton Piecegoods ..	356
Salted	820	Preserved Pineapples ..	1,159
Sugar	1,497	Rattans	188
Coal	738	Sago	587

The total imports and exports of 1938 and 1939 were as below :—

<i>Year.</i>	<i>Total Imports.</i>	<i>Total Exports.</i>
1938	£ 68,771,000 #	£ 66,420,000)
1939	„ 72,400,000	„ 85,923,000

The Straits Settlement and Malayan local standard of currency is the Straits Dollar (S\$) which is equal to 2s. 4d. or about S\$8.88 equal to £1.

Converted into Rupees, the value of imports and exports of Malaya in 1939 would be about Rs. 1,065,408,000 and Rs. 1,116,999,000 respectively.

The above figures of production, exports and imports show what a rich field Malaya is for trade possibilities. Up to now the principal suppliers of goods to Malaya as well as buyers of Malayan products had been U.K., Japan and U.S.A. But both Japan and U.K. will not be in a position to supply sufficient quantities of goods for some time more. The United States of America alone will not be able to meet the demand, and therefore India as the nearest country will have to fill up the gap in the case of a number of articles. The principal buyers of Malayan products were again the above three countries together with Germany. It is to be seen as to what extent India can use some of the leading products of Malaya.

CHAPTER XI

THAILAND (SIAM) AND PHILIPPINES

Thailand, known until June 24, 1939 as Siam, is another Far Eastern country rich in mineral, agricultural and forest resources. However, its main product is rice. About 84 per cent of the people depend on agriculture,

while only 2% depend on industry. The rest make their livelihood from mining and services. Thailand thus is not an industrialised country. But the industrial potentialities of Thailand are indeed great for that role. At present, she can import finished products in large quantities only in exchange for her agricultural production. Her rich mineral resources are not yet adequately tapped and peace times could be expected to lead to development in that direction.

The former name "Siam" meant Colony, obviously an Indian Colony, while "Thais" (or rather "Muang Thais") means "Free People" that is people freed from Indian sovereignty. Siam has essentially Indian culture, and the names of the people, cities, hills and even some rivers are purely of Indian origin being derivatives from the Sanskrit. All the ceremonies, like marriage ceremonies, are performed according to Hindu customs. At present, they are mostly Buddhists, and generally peace-loving.

In normal times, Thailand opens up a great field for Indian enterprise. For the last decade or so, Thailand's economic policy was mainly guided by Japan which had a very large share—about 20%—in Thailand's imports. Of her exports, Japan's share was only about 12%.

The principal product of Thailand is rice:—

<i>Product.</i>	1937-38 (Yield in tons)	1938-39 (Yield in tons)
Rice	4,557,528	4,525,473

Other agricultural products are (1937-38):—
 Coconuts, 160,094,599 nuts; tobacco, 153,008 piculs (about 9000 tons); pepper about 3,250 piculs (about 195 tons); cotton about 118,047 piculs (about 7,000 tons); raw rubber (exported in 1939-40) was 42,181,193 kilo-

grammes (about tons 41,430) and in 1938-39 it was 47,308,798 kilogrammes (about tons 46,430) valued respectively at £2,742,426 and £2,300,992. The difference in the value may be due to lower prices fetched in 1939-40. The mineral wealth of Thailand is quite imposing. It includes tin, iron ore, wolfram, scheelite, antimony, coal, copper, gold, lead, manganese, molybdenum, rubies, sapphires, silver, zinc and zircons. The most important are, however, tin, wolfram and gold. The total output of tin (in 1938-39) was about 265,020 piculs (about tons 15,600).

IMPORTS

The total value of imports in 1938-39 and 1939-40 was £11,784,611 and £17,698,721 respectively. The principal imports in 1938-39 were:—

<i>Import</i>	<i>Value.</i>	<i>Import.</i>	<i>Value.</i>
Cotton	£ 1,996,323	Metal Manufactures	£ 1,166,324
Gunny Bags	484,518	Tobacco, Cigars and	
Foodstuffs	1,527,085	Cigarettes	234,809
Machinery	695,691	Mineral Oils (Kero-	
Alcoholic Beverages ..	151,721	sene, benzene and	
		liquid fuels)	943,716

The principal countries that contributed these imports are as below with the value of the imports into Thailand (in 1938-39):—

<i>Country of Origin.</i>	<i>Value of Imports</i> <i>1938-39</i>
F. M. S. (Singapore and Penang)	£ 8,013,408
Japan	1,738,820 (£2,008,844 in 1937-38)
U. K.	1,385,238
Hongkong	1,205,756
China	476,619
Germany	770,864
India	699,396 (mainly gunny bags)
Indonesia	511,644
U. S. A.	551,144

EXPORTS

Total value of exports in 1938-39 and 1939-40 was about £18,583,826 and £19,660,714 respectively. Principal exports were:—

<i>Exports (in 1938-39)</i>	<i>Value.</i>
Rice	£ 8,856,803
Tin and Tin Ore	2,801,251
Rubber	2,283,919
Teak	684,159

The principal countries to which the Thailand produce's were exported with their value are:—

<i>Country of Destination.</i>	<i>Value (1938-39)</i>
F. M. S. (Singapore and Penang)*	£ 10,488,627
Hongkong	1,963,821
U. S. A.	2,059,922**
Germany	559,513
Holland	473,358
Japan	217,069 (£536,998 in 1937-38)
India	117,784
U. K.	263,587
Ceylon	382,920

It will thus be seen that Thailand exports more than she imports. This favourable trade balance is due to the fact that the country is practically agricultural, and the resources required for industries or for industrial development are not yet imported. But in the post-war reconstruction industrial development is possible, and lot of machinery, tools and implements are likely to be imported. Piecegoods, toilets and other articles of modern fashion will have increasing sale.

* A considerable portion of the Thailand exports to Singapore and Penang are re-exported.

** Of this figure, the sum of £2,015,837 represents silver bullion sold to the United States of America Mint during the year (1938-39) The normal exports to U' S. A. are, however, only about £110,000 In 1937-38, exports were £ 108,528.

PHILIPPINE COMMONWEALTH

The Philippine Islands attained the self-governing Status on November 15, 1935 as the Philippine Commonwealth. Its full independence was scheduled to be recognized on November 15, 1945. During this transition period U.S.A. retained the defence of the Commonwealth and maintained it partially within the U.S.A. Customs Union. Thereby the Commonwealth had the had the advantage of exporting its principal product, sugar, to U.S.A. free of duty. Now after full independence, this question will cause some anxiety to the Filipino leaders. Will America, which requires to import large quantities of sugar, adopt a discriminatory policy in favour of the Philippine sugar? On this will depend the main economic problem of the Commonwealth. However, the Filipino leaders are trying to devise other crops to substitute sugarcane, such as, tobacco, cinchona (for quinine) and jute. Thereby they hope to reduce the production of sugar, should there be no sufficient demand for it in other world markets after U.S.A. imposes on the Commonwealth sugar the usual tariff on foreign imports. On this main consideration, as has been said, will depend the trend of the agricultural production of the Philippines.

The difficulties in the way of the development of production in the Commonwealth, either agricultural or industrial, are due mostly to the geographical nature of the islands forming the Commonwealth. The total number of islands and islets comprising it are 7,083 of which only 466 islands have an area of 1 square mile or over. The rest are small or uninhabited. The total population of all islands is about 14,000,000 inhabiting a total area of about 114,400 square miles.

Of these islands the largest two islands Luzon and Mindanao are wide apart, the former forming the northern extremity of the islands and the latter the southern extremity. However, by themselves the two islands are not small, and agricultural or industrial development can take place rapidly on them as on some others. In fact, industrial development has been rapid since the islands went under the U.S.A. domination in 1898 and kept pace with the progress of the political emancipation of the islands from American overlordship. After about 400 years of crushing and oppressive Spanish rule, the Filipinos gallantly recovered much ground after the American contact, although they had not meekly or without struggle accepted the overlordship even of America. They kept up their struggle for freedom in which the first decisive stage was reached in 1916, and ultimately by the Tydings-McDuffie Act of 1934, the islands were converted into a self-governing Commonwealth.

Economic development which was hindered by the anachronistic Spanish rule that kept the Filipinos in abject penury and ignorance, received the needed stimulus and encouragement from American contact, and since the beginning of the present century the development of the islands has been proceeding at a rapid pace.

The principal agricultural products are rice, hemp, copra, sugar, corn, rubber, tobacco, magney, etc. The output of some of the important products was:—

<i>Product.</i>				<i>Output.</i>	
Hemp	..	..	..	Tons	161,917 (Metric)
Magney	..	..	..	..	17,699
Raw Sugar	..	..	..	..	1,068,036
Tobacco	..	..	..	..	35,943,881 (Kilograms)
Rice	..	..	..	..	1,526,826

The forests, and plantations provide many fruits, such as bananas, mangoes, papayas, oranges, pineapples, and other products, such as, timber, gums, resins, vegetable oils, rattan, bamboos, dye and tan barks.

The Philippines are also very rich in mineral resources. Principal item is gold. But there are other minerals such as, chromite, iron-ore, manganese, coal, asbestos, rock asphalt, guano and silica sands. Petroleum is traceable. The output of some of these products was (in 1938) as below :—

<i>Product.</i>	<i>Production.</i>	<i>Value.</i>
Gold	903,265 (Ounces)	US \$ 31,116,000
Chromite	Tons 38,865 (Long)	
Iron-ore	" 870,151 (Metric)	
Manganese Ore	" 40,886 (Exported)	

EXPORTS AND IMPORTS

As said above the problem for the Commonwealth is how to regulate the duties and taxes on the Philippine products. The U.S.A. has, therefore, fixed a sort of quota for importing free of duty certain products from the Islands. At the same time, the Philippines can levy an export tax, beginning from the sixth year. This position is summarised as below :—

"Free trade nominally exists between the United States and the Philippines, but Tydings-McDuffie Independence Act of 1934 restricts by quotas the free export of sugar, cocoanut oil, cordage and twine to the United States. During the 10-year transitional period, the Commonwealth may export duty-free to the United States annually 800,000 long tons of raw sugar, 50,000 of refined sugar, 200,000 tons of cocoanut oil, and 3,000,000 lbs. of hemp cordage and twine. (Congress has since raised the cordage and twine to 6,000,000 lbs. for a limited period). Ex-

ports above these amounts are subject to prevailing duties. Beginning with the sixth year, the Commonwealth Government agrees to levy an export duty on articles (excepting cocoanut oil, cigars, embroideries and pearl buttons) shipped to the United States; that export duty increases from 5 per cent of the duty imposed by the United States on similar articles to 25 per cent in the tenth year; proceeds are used, as a sinking fund for the Commonwealth's bonded debt. Congress has since amended that by exempting cocoanut oil, cigars, embroidery and pearl buttons from the export tax. The American Congress has placed a tariff of about 20 per cent on foreign imports into the Philippines".*

The value of exports and imports in 1938, 1939 and 1940 was as below:—

		1938	<i>Value in Pesos.</i> 1939	1940
Exports	.. P	213,590,555	242,450,000	231,790,000
Imports	.. ..	265,215,000	245,535,000	269,720,000

The direction of the trade of the Philippines in 1938 (normal year) was as follows:—

<i>Country.</i>	<i>Philippine imports from (Value in Pesos)</i>	<i>Philippine exports to (Value in Pesos)</i>
U. S. A.	P 180,715,000	P 178,890,000
Japan	25,411,000	15,028,000
Great Britain	5,433,000	6,017,000
China	6,151,000	1,905,000
Germany	8,309,000	2,988,000
British E. Indies	4,680,000	1,356,000
Indonesia	5,842,000	991,000
France	2,105,000	3,184,000
Australia	4,801,000	928,000
Netherlands	5,831,000	5,082,000
Canada	2,937,000	586,000
Belgium	2,543,000	1,164,000
Hongkong	1,614,000	1,848,000
Switzerland	1,864,000	20,000

* "Statesman's Year Book".

India figures nowhere in this list, although a small and distant country like Belgium has an appreciable volume of trade with the Islands. India's trade is so negligible that it is included in the total trade under the heading "British East Indies".

Imports and Exports by group of articles in 1937 and 1938 were as below:—

<i>Articles.</i>	Imports	
	1937 (<i>Value in 1,000's Pesos</i>)	1938 (<i>Value in 1,000's Pesos</i>)
Iron and Steel Manufacturers	38,681	45,793
Cotton Goods	34,908	43,812
Mineral Oils	13,005	16,419
Tobacco Products	7,310	15,869
Automobiles, Vehicles and Parts	11,978	16,238
Breadstuffs	14,505	12,827
Paper	7,621	10,379
Meat and Dairy Products	10,082	11,980
Chemicals, etc.	5,102	8,881
Electrical, etc.	6,855	7,608
Silk and Manufactures	6,190	6,590
Rubber and Manufactures	4,542	5,485
Fibres and Manufactures	4,145	4,435

<i>Article.</i>	Exports	
	1937 (<i>normal year</i>) (<i>Value in 1,000's Pesos</i>)	1938 (<i>normal year</i>) (<i>Value in 1,000's Pesos</i>)
Sugar	115,413	100,045
Copra	51,970	24,512
Cocounut Oil	41,052	21,538
Manila Hemp	43,280	20,319
Embroideries	7,378	10,216
Tobacco	9,966	9,929
Dessicated and Shredded (Coco- nuts)	12,693	7,633
Lumber	7,886	5,651
Copra Meal	5,800	5,296
Iron Ore	2,682	4,080
Cordage	2,873	2,398
Chromite Ore	1,542	1,577
Copper Ore	657	1,161

CHAPTER XII

KOREA

Korea's importance in the economic field is only next to that of Manchuria. And yet Korea produces as a large variety of commodities as Manchuria.

Korea's staple agricultural products are rice, barley, wheat, rye, soya beans, cotton, fruits, sericulture; forest products include timber, ginseng and lumber mainly; mining products include gold, coal, iron ore, copper, silver and gold ores, graphite, lead, tungsten ore, zinc ore etc.; fisheries yield a good harvest yearly. The following are the approximate values of the various classified products in normal times:—

<i>Classification.</i>	<i>Value in Yen.</i> (1936—a normal year)
Agricultural Products Y	701,078,000
Forestry Products "	55,000,000
Cocoon (Sericulture) Products "	21,865,000
Mining "	48,200,000
Fishery "	367,236,000

We have taken the year 1936 as it represents the more or less normal times. The Sino-Japanese War started in 1931 and temporarily ended early 1933, and was resumed again in 1937. So, we have taken here the normal year of the highest production.

Production figures of Korean industries in 1936 are given below:—

<i>Classification.</i>	<i>Value in Yen.</i>
Textile Industry Y	99,477,000
Metallic Industry "	33,735,000
Machinery and Tools Industry "	13,500,000
Ceramic Industry "	21,876,000
Chemical "	195,420,000
Wood Works Industry "	9,986,000
Printing and Book-binding Industry "	13,133,000

Gas and Electric Industry	..	..	89,988,000
Foodstuffs Industry	..	..	199,888,000
Other Industries	..	..	108,000,000

Total .. Y 729,848,000

This will show that foodstuffs, textile and chemical industries form the backbone of the industrial organization of Korea.

Korea's imports and exports have been substantially increased in recent times.

Principal Exports and Imports (in 1936—a normal year)

Exports				Imports			
Commodity.		Value		Commodity.		Value	
		(in 1,000's				(in 1,000's	
		yens)				yens)	
Rice ..	..	250,954		Rice ..	..	5,017	
Beans ..	..	23,474		Millet ..	..	22,702	
Fish ..	..	10,542		Beans ..	..	5,086	
Lever ..	..	4,075		Flour ..	..	10,952	
Sugar ..	..	4,019		Sugar ..	..	9,046	
Fish Oil ..	..	8,201		Sakce ..	..	1,252	
Timber ..	..	7,447		Beer ..	..	802	
Paper ..	..	4,851		Salt ..	..	2,247	
Cotton ..	..	11,469		Woollen Cloth ..	..	18,247	
Cocoons ..	..	1,400		Silk Tissues ..	..	36,564	
Raw Silk ..	..	15,420		Rubber Shoes ..	..	4,678	
Graphite ..	..	2,264		Paper ..	..	13,970	
Coal ..	..	6,682		Coal ..	..	17,280	
Gold Ore ..	..	6,497		Cement ..	..	7,400	
Iron Ore ..	..	1,105		Ceramics ..	..	5,231	
Cattle ..	..	4,328		Iron ..	..	40,425	
Fertilisers ..	..	40,427		Machines ..	..	45,766	
Copper ..	..	20,409		Timber ..	..	15,581	
Iron ..	..	23,291		Petroleum ..	..	5,406	
				Matches ..	..	1,254	
				Cotton (ginned) ..	..	25,332	
				Cotton Yarn ..	..	6,028	
				Wild Silk ..	..	4,463	
				Cotton Cloth ..	..	32,147	
				Hemp Cloth ..	..	1,478	
				Fertilisers ..	..	41,391	
				Gasolene ..	..	9,901	

These are the principal exports and imports for a normal year (1936), that is, the year before the resump-

tion of the Sino-Japanese War in 1937. They, however, do not exhaust the list. The total exports and imports of all commodities including the above for a *normal* year (1936) are:—

Exports	..	Y 593,818,000 (about £ 85,000,000)
Imports	..	Y 702,417,000 (about £ 45,000,000)

In the war years since 1937, both exports and imports of Korea have been increasing, mostly in value, as may be seen from the following figures for 1939:—

Exports	..	Y 1,006,794,000 (about £ 60,000,000)
Imports	..	Y 1,388,448,000 (about £ 45,000,000)

However, about 90 per cent of these exports go to Japan, and about 90 per cent of the imports come from Japan. Other countries like China including Manchuria, U.S.A., Indonesia, Asiatic Russia, Germany and U.K. have a small share in the import and export trade of Korea, the total percentage being only about 10 per cent of the entire export and import trade of Korea.

The currency had been the Japanese Yen.

CHAPTER XIII

SPECIAL REGIONS OF THE FAR EAST

We now consider a few important regions of the Far East, some of which are included in the cursory survey in the preceding chapters, but which need special treatment. These regions are considered hereunder:—

1 OUTLYING PROVINCES OF CHINA

Although we have previously dealt with China as a whole, some special mention of Tibet, Mongolia and Man-

churia is necessary for a clearer understanding of the position. They are therefore separately mentioned here.

(1) TIBET

Tibet has formed a part of China for centuries. And yet effective control of the Province by the Central Government of China has never been the feature of China's administrative system. Tibet is independently ruled by Dalai Lama. It is almost an ecclesiastic state with all the monastic forms scrupulously observed. It can hardly be said to be a secular state. Religious observances—the population is all Buddhist—form the main plank of the administration. Foreigners are rarely allowed to visit the Lamas. The population is 6,000,000. The capital is Lhasa which is probably the highest capital in the world, being about 15,000 feet above sea level.

It provides gold, borax, salt, barley and other cereals, pulses, fruits, peaches, grapes, wool, etc.

Tibet carries on trade with India and China. The Rupee is the standard currency unit, although Tibetan paper notes and Szechuan Dollars are used.

It is because of the religious nature of the state, its long distance from the seat of the Central Government of China and the difficulties of travel from the capital of China to Tibet, that the Central Chinese Government has practically left the administration of Tibet to the people of the Province itself. It is an autonomous State under nominal suzerainty of China. China has a Tibetan and Mongolian Commission which manages the relations with Tibet.

(2) MONGOLIA

Mongolia is divided into Outer and Inner Mongolia. Outer Mongolia is now for all practical purposes a

Soviet State since 1920 practically affiliated to Russia. China's sovereignty is acknowledged only formally since 1936. Once in a year, on October 10, the Chinese Flag is hoisted and saluted. Otherwise it is a Russian Province. Population is about 550,000. The capital city is Ulan Bator Hoto i.e. "Town of the Red Heroes". The present name is adopted since 1924. Former name was Urga.

Its products are mainly wool, livestock, hides, furs, gold and a few other minerals.

The value of Outer Mongolian exports is about \$24,500,000 (Mexican Dollars), and imports are also of about the same value. Imports are tea, finished products, cloth, boots, etc., mainly coming from Russia.

Inner Mongolia once formed part of the autonomous Mongolian Republic (between 1912 and 1919). But in 1919, the Chinese succeeded in abolishing its autonomy and bringing back Inner Mongolia with the Chinese administrative organization. Consequently it did not follow the example of Outer Mongolia in forming a Soviet State, although Soviet Russia did its very best, and for a time even succeeded in 1920, in converting it into a People's Representative Government. Inner Mongolia has thus remained a Chinese Province under a Governor.

But when the Japanese created Manchoukuo in 1933, they deprived Inner Mongolia of Jehol and Chahar. In 1937, the Japanese set up an autonomous state in Inner Mongolia with the seat of government at Kalgan. The population (estimated in 1935) is about 2,200,000. Of these about 60 per cent are Chinese and the remainder Mongols.

Inner Mongolia imports tea, boots, cloth, toilet and fancy articles. It exports wool, gold and gold ore, hides and skins, livestock, etc.

(3) MANCHURIA

As said before, Manchuria is one of the world's richest spots in various ways. Its resources comprise those underneath and above the land, as well as those from waters surrounding it. The wonder bean, the Soya Bean, is Manchuria's chief gift to the world.

Manchuria produces Soya Bean along with other beans, seeds and cereals, peanuts, ground-nuts, wheat, millets, rice, cotton, potatoes, barley, rye, beet sugar, linseed, hemp, fishery products, salt, coal, iron, gold, magnesite, oil shales, petroleum, copper, lead, limestone, manganese, etc. It is for this reason that the possession of Manchuria has always been coveted by any country that has come into contact with it. Besides Soya Bean, the other most important products which are very valuable for defence etc. are coal, iron and petroleum. Added to this is the gold and several other minerals. The output of some of the leading minerals (in 1937) is as below:—

<i>Mineral.</i>	<i>Production in Tons.</i>	<i>Value in 1,000's Yuan.</i>
Coal	13,000,000	Y 10,000
Pig Iron	400,000	
Magnesite	64,270	
Oils Shales	101,000	
Aluminium Shales	160,000	

Similarly agricultural products have been enormous as the following figures of some will show (1937):—

<i>Commodity.</i>	<i>Quantity in Metric Tons</i>	<i>Value (in 1,000's Yuans)</i>
Soya Beans	4,200,000	273,000
Rice	358,000	46,571
Wheat	1,156,000	115,630
Barley	162,000	12,961
Kaolin	4,441,000	266,502
Millet	3,451,000	189,805
Maize	2,261,000	128,877
Potatoes	866,000	11,256

<i>Commodity</i>	<i>Quantity in Metric tons</i>	<i>Value (in 1,000's yuans)</i>
Cotton	68,000	19,145
Tobacco (Indigenous) ..	22,500	8,825
" (Virginia)	2,428	1,890
Sugar (beet)	17,700	177,000
Perilla Seed	31,000	4,650
Linseed	20,163	807
Hemp Seed	569	159
Lucerne	1,900	66

Total (about) Y \$ 1,082,000,000 (or about £ 62,000,000)

The principal exports and imports in 1937 were as below :—

<i>Exports</i>		<i>Imports</i>	
<i>Commodity.</i>	<i>Value (in 1000's Yuans)</i>	<i>Commodity.</i>	<i>Value (in 1,000's Yuans)</i>
Soya Beans	226,076	Iron and Steel ..	76,429
Bean Cake	62,336	Machinery and Tools ..	65,901
Bean Oil	25,343	Cars and Vessels ..	46,406
Coal	35,610	Cotton Cloth (Bleached or Dyed) ..	44,436
Peanuts	16,370	Cotton Cloth Unbleached)	42,771
Millet	14,197	Cotton	32,202
Iron, Steel and their Manufactures ..	13,350	Silk	30,646
Other Beans	12,542	Electric Supplies ..	26,502
Kaolin	9,843	Paper	24,885
Sulphate of Ammonia	9,673	Sugar	21,293

Here again a large portion of the trade has been with Japan, but not so much as in the case of Korea. Japan's share in the exports of Manchuria has been about 50 per cent.; China, 18; Germany 9; U.S.A. 3; Holland 2-6; U.K. 1.5 and so on.

2. FOREIGN COLONIES ON CHINA COAST

There are several foreign colonies on China coast. The important are: Hongkong, Macao and Formosa. Kwang-chu-Wan (French) is a Leased Territory and is already included in our treatment of Indo-China. The

American Concession in Amoy and British Concessions in Canton, Shanghai and Tientsin have now ceased to exist following the British and American declarations of the surrender of extra-territorial rights in China. They will revert to Chinese administration. We shall therefore deal with the three Colonies alone.

(1) THE COLONY OF HONGKONG

The British Colony of Hongkong includes the island of Hongkong, Kowloon on the mainland including Stone Cutters Island, and the New Territories along with the Mirs Bay and the Deep Water Bay. One and half miles of sea separates the island of Hongkong from Kowloon on the mainland. Steam ferries ply between the two places every five minutes.

The total area of the Colony including the New Territories is 390 square miles and has a normal population of about 1,200,000 to 1,500,000. During the Sino-Japanese War since 1937, this population increased to 2,500,000. The Island of Hongkong itself is about 11 miles long and 2 to 5 miles broad, made up mainly of a few hills.

The Colony is administered by a Governor appointed by the British Colonial Office, who is also the Commander-in-Chief of the Army and Vice-Commander-in-Chief of the Navy. He is assisted by a nominated Executive Council and a Legislative Council. The latter has power only to criticise the Budget and legislation; but all laws are passed by the Executive Council as Ordinances unlike that in Ceylon. And yet, the government of the Colony is based on enlightened system, most attention being paid to public works, public health and education. The Press is quite free in peace times. The port is a free Port, no tonnage dues being levied on ships entering. Hongkong

Harbour. There are no import and export duties, excepting the fact that duties are levied following the Ottawa Conference Agreement, on non-British motor cars, intoxicating liquors, and tobacco and its manufacture, thereby giving preference to British goods like brandy and motor cars. There is no general Imperial Preference system adopted in the colony. Only a few British-made goods are given preference. No colonial or Indian goods enjoy any preference.

The Colony produces cement, rope, sugar, rubber shoes, and cotton manufactures, hosiery and other knitted goods, flash-light torches and batteries, and fire-crackers, etc. Shipbuilding is a very important industry. Tin-refining is another industry.

The average total imports of Hongkong amount in a normal year to about HK\$415,900,000 (about £31,700,000) and exports to HK\$365,000,000 (£25,300,000).

Imports

Group of Articles.	1984		1935	
	(normal year)		(normal year)	
	(in 1,000's of Hongkong Dollars)		(in 1,000's of Hongkong Dollars)	
Animals, live	\$	9,000		8,000
Building Materials		7,000		7,000
Chemicals and Drugs		6,000		5,000
Chinese Medicines		17,000		17,000
Dyeing Materials		4,000		4,000
Foodstuffs		127,000		108,000
Fuels		11,000		11,000
Hardware		3,000		3,000
Liquors		4,000		3,000
Machinery		7,000		7,000
Metals		33,000		33,000
Minerals and Mineral Ores		1,000		2,000
Nuts, Seeds		6,000		5,000
Oils and Fats		34,000		34,000
Paints		1,000		1,000
Paper, Paperware		10,000		9,000
Piece Goods		67,000		53,000
Railway Materials		500		500

Tobacco	6,000	6,000
Treasures	78,000	39,000
Vehicles	3,000	4,000
Wearing Apparel	4,000	4,000
Sundry Goods	53,000	43,000
Total .. HK\$	491,500	HK\$ 405,500

With regards to the imports of Hongkong, it should be remembered that these are mainly meant for re-exporting, Hongkong being the chief port for South China, just as Shanghai is for North China. Consequently most of the goods imported are re-exported together with surplus of the Colony's production. The 1,500,000 inhabitants of the Colony in normal times cannot utilize the large quantities of goods imported. This will be seen from the following figures of exports:—

<i>Group of Articles.</i>	Exports	
	1934	1935
	(in 1,000's of (Hongkong Dollars))	(in 1,000's of (Hongkong Dollars))
Animals, live	\$ 500	500
Building Materials	4,000	4,000
Chemicals, Drugs	3,000	3,000
Chinese Medicines	12,000	10,000
Dyeing Materials	3,000	4,000
Foodstuffs	102,000	82,000
Fuels	1,000	1,000
Hardware	2,000	2,000
Liquors	1,000	1,000
Machinery	6,000	7,000
Manures	4,000	5,000
Metals	31,000	29,000
Minerals, Ores	3,000	3,000
Nuts, Seeds	4,000	3,000
Oils and Fats	26,000	26,000
Paints	1,000	1,000
Paper, Paperware	7,000	6,000
Piecegoods	40,000	34,000
Railway Materials	1,000	1,000
Tobacco	4,000	3,000
Treasure	128,000	216,000
Vehicles	2,000	3,000
Wearing Apparels	8,000	6,000
Sundries	49,000	37,000
Total .. HK\$	451,500	HK\$ 487,500

Hongkong's position, therefore, is that of an exchange station. Goods are imported there and despatched to South China ports and even to North China. In point of tonnage entering and clearing from ports and harbours of the world, Hongkong stands sixth, even above Hamburg, with 29,196,466 tonnage of shipping entered (1939). Of this about 10,145,162 tons were British ocean-going steamers.

The Hongkong Dollar (HK\$) is stabilised at 1s. 3d on managed currency basis. In terms of the Rupee, it was about Rs 83 to HK\$100 (at the end of 1941).

(2) MACAO

The Portuguese Colony of Macao includes the peninsula of Macao in the delta of the Canton (Pearl) River and the islands of Taipa and Kolowan. The island of Don John (Macarira) is also included in the administration, Macao itself is only about two and half miles in length and its widest part is not more than 3,000 yards. The total area of the colony is about six square miles. The population of the Colony is about 250,000.

Macao is a neat little place, quite clean, with an atmosphere of freedom everywhere even in government circles. Officialdom is mostly free from that superiority complex and highly exaggerated sense of authority. The official red tape is scarcely seen, and even the highest officials mix freely with the local people and grant interviews without much fuss and formality. It is the one place where Oriental and Occidental people mix with each other on terms of equality and on the same social plane. Although the government of the Colony is almost absolute, there are no undue restrictions on people's movements and actions. In fact the Portuguese officials freely partici-

pate in the functions and ceremonies performed by the people of the place, of whom nearly 97% are Chinese.

Macao was given to the Portuguese as a sort of concession or gift by the Chinese Emperor in 1557, in recognition of their services to the Emperor in suppressing piracy on the China coast. But it was not till 1887 that Portugal's sovereignty over Macao was formally acknowledged by China.

✓ The Colony has a Governor appointed by Portugal's Colonial Office in Lisbon. He is assisted by a Legislative Council, consisting mostly of nominated members, both official and non-official. There are, however, a few elected members, the Chinese Community being represented by two members. There is also an Executive Council to assist the Governor in the work of the administration.

Before Hongkong was created as a place for foreign trade since 1841, Macao alone on the whole of China coast enjoyed the privilege of foreign trade of China. The Chinese Emperors were apprehensive of foreign contact, same as in Japan before 1853, and they did not allow foreigners to trade at many places. By concentrating the foreigners at one place, the actions and movements of such foreigners could be properly supervised. This was the main idea. But gradually, the foreigners moved up the river (Pearl River) to Canton, about 90 miles north of Macao. But even there the foreigners were segregated in a concession later known as Shamcen. Several "Treaty Ports" were then opened to foreign commerce and Macao lost its chief importance. Another reason for the loss of predominant position held by Macao up to the middle of the nineteenth century was, that the sailing ships with their comparatively shallow draughts gradually disappeared from foreign trade and deep-draughted steamers

entered the field. The waters around Macao are not deep enough to allow the entry of deep-drawing ocean-going steamers. Hongkong waters, however, are sufficiently deep and the anchorage is provided on the Kowloon side of the Colony. Hongkong thus gradually attracted all the foreign trade from Macao.

In Macao, great attention is paid to public health, public works and education. The city is kept immaculately clean, and immediate steps are taken to localise and eradicate any epidemic. Waterworks and Electric supply are kept in most efficient and healthy state.

The industrial products of Macao are mainly fire-crackers, hosiery, fishery products, cement, vegetable oils, metal-working, electric torches and batteries, shoes, joss sticks, bricks, etc. Most of the products are usually exported. The imports in 1936 were valued at 15,723,585 patacas while exports at 9,163,627 patacas. Most of the imports are for re-exporting to China. Patacas are practically equivalent to Hongkong Dollar in value.

Macao is a free port. Three currencies are freely circulated and accepted—the local Portuguese Currency being the Dollar issued by the Banco Nacional Ultramarino, the Hongkong Currency Dollar and Canton Provincial as well as Chinese Central Government Dollar. This freedom is reflected in the transactions of the people, and shows how liberal the administration of the Colony is, though constituted as a Colonial Government of an absolute type.

(3) FORMOSA

Formosa was a Japanese Colony since 1895 after the Sino-Japanese War of 1894-95. China was defeated in

the War and ceded Formosa to Japan in 1895 as a result of Shimonoseki Treaty. Since Japan is now defeated, the status of Formosa has to be decided. China can justifiably ask for its retrocession to her.

Formosa is an island off the Fukien coast of China. Its original name was Taiwan or "Poshina". It was named "Formosa" by the Portuguese, which means "beautiful island". Its area is about 13,890 miles (length about 260 miles and breadth about 53 miles average) and a population of about 5,300,000. Formosa was developed rapidly after 1895, and a number of new industries were started. It is an island rich in resources of all varieties—mineral, agricultural, marine and forest. It is the world's chief producer of Camphor and Camphor Oil. Other important products are sweet potatoes, wheat, peanuts, beans, sesame, tea, sugar, rice, animals, tobacco, spirits, glass, soap, gold, silver, copper, coal, sulphur, petroleum, gasoline, phosphorus etc. The output of some of the products is approximately as below (in 1937, a normal year):—

<i>Article.</i>	<i>Output.</i>	<i>Article.</i>	<i>Output</i>
Camphor ..	5,366,393 lbs.	Raw Sugar..	1,007,352 Tons
Camphor oil	8,533,000 lbs.		(Metric)
Tea ..	10,848,856 Kilogs	Coal ..	1,599,516 "
Rice ..	24,242,084 Bushels	Marine Products	
		(Value)	Y 21,611,881
		Mineral	
		Products	
		(Value) ..	30,770,825

The value of imports in 1937 (normal year) was about Y.322,123,742 and of exports Y.440,174,995. The details of principal imports are:—

Principal Imports

Article.	Value (in Yen)
Fertilisers Y	44,288,909
Cotton and Silk Textiles "	21,635,155
Iron and Steel "	16,795,909
Timber "	13,786,452
Matches "	1,982,000
Motor Vehicles "	8,980,185 *
Gunny Bags "	8,860,000

Principal Exports

Article.	Value (in Yen)
Sugar Y	188,965,935
Rice "	126,171,092
Bananas "	11,736,412
Tea "	4,986,107
Camphor and Camphor Oil "	1,859,986
Coal "	1,216,000

The important feature of Formosa's overseas trade has been that most of the exports (nearly 75%) were to Japan and Japanese Colonies, while the major portion of imports also come from Japan and Japanese territories. Who is now to step into Japan's shoes is an intriguing question.

3. THE FAR EASTERN SIBERIA

So far, we have not taken Siberia into account as it forms part of the Union of Soviet Socialist Republics. But none the less, it forms part of the Far East and should be included in our treatment of the Far Eastern regions. Siberia seems entirely in the background because the rigours of climate and the jealousy with which it is guarded by the Russians have made any great intercourse of Siberia with the outside world almost impossible. Since 1931 specially, that is, after the Japanese occupied Manchuria, Siberia is practically a forbidden land, and movements and developments in Siberia have been shrouded in mystery. The perennial border clashes between the Rus-

sian and Japanese armies, which used to number about 700 per year, have deterred many commercial travellers from seeking entry into the region apart from the fact that severe restrictions are imposed by the Russian authorities on entry of foreigners in Russia and Siberia. Hardly any foreigners are given visas for entry into those territories. Thus Siberian regions have been practically reserved for Russian operation.

The area of this territory (the Far Eastern Siberia and adjacent regions) is 1,081,000 square miles with a population of 4,500,000 (in 1940). Khabarovsk is the principal city, and Vladivostock is the principal port. Vladivostock is ice-bound during a part of the winter. Agricultural and forests products are valuable, but mineral products are the most important. Gold is one of the most valuable mineral products of Siberia. Fisheries form also an important contribution.

The principal products are: timber, fur, fish, coal, gold, etc. Siberia has very large deposits of coal and iron-ore as yet undeveloped. In point of coal deposits, Siberia may rank fourth in the world, being preceded only by the United States of America, Canada and China in order of quantity and deposits. Other deposits are mainly those of copper, tin, wolfram, etc. Recently, several industries have been developed in the Far Eastern Siberia. Tanning, ship-building, steel, oil-refining, textiles, iron-foundries and iron-works and paper are amongst other industries of the region.

The administration also includes Kamchatka and Sakhalin. Of these, the main industry of Kamchatka is fishing. But Sakhalin is rich in oils and minerals. In 1939, the output of oil in Sakhalin was 360,900 tons while reserves of Sakhalin oil are estimated at 300,000,000 tons.

Exact figures of imports and exports of Far Eastern Siberia are not separately available. They are included in the total exports and imports of Soviet Russia.

CHAPTER XIV

ECONOMIC SUMMARY

From the foregoing statements, it will be seen what a vast field the Far East offers for economic operations and economic expansion. We have left out of our consideration the continent of Australia and New Zealand, New Guinea and other Pacific Islands which are connected with the Far East regionally though not included normally in the denomination the "Far East". But even leaving aside those Antarctic regions from the Far East, the latter by itself is a vast but neglected field, a proper appreciation whereof is necessary. And the one point which specifically be noted is that almost all the countries excepting Japan, are in an economically undeveloped state. Japan, although practically having less than one-fifteenth of the total annual production of agricultural, forest, mineral and marine resources of the Far East regions, accounts for nearly 40% of the export (mainly finished products) and imports of the Far East trade; while the other countries like China, Indonesia, Straits Settlement and Malaya, Indo-China, Thailand and other territories put together are responsible for the remaining 60% of the trade. And most of these latter countries are larger than Japan with immensely vaster potential resources than the latter.

We have also seen that the population of these countries is about 681 millions (about 68 crores). Add to this the population of India, Burma, Ceylon, Hongkong, Macao, and Far Eastern Siberia. The result will be as below:—

<i>Countries.</i>	<i>Population (in 1,000's)</i>
1. China, Japan, Korea, Japanese Empire, Indonesia, (Dutch East Indies) Malaya, Thailand, Indo-China, Straits Settlement, Philippine Islands	681,000
2. Hongkong	1,500
3. Macao	250
4. Far East Siberia	4,500
Total ..	687,250

Say, about 690 millions or 69 crores of people are inhabiting the Far East. To this add the population of India, Burma and Ceylon—another economic unit. Then the total population will be:—

1. The Far East (total)	690 millions (or 69 crores)
2. India	400 " (or 40 ")
3. Burma	16 " (one crore and sixty lakhs)
4. Ceylon	6 " (sixty lakhs)
Total ..	1,112 millions.

Total population, thus, is about 1,112 millions or about 111 crores. This is nearly 60% of the total population of the globe.

And the people inhabiting these countries, are undergoing revolutionary changes in all respects. Perhaps there is an impression in Western countries and in India that the people in the Far Eastern countries are backward and not modernized if judged from the Western and American standards of living. This is wrong. They are far more cultured and modernized than others take them to be. They combine the ideas of Oriental splendour with the

modern innovations of the West in matters of dress, toiletries, house-equipment, roads and transportation, food, vehicles, travel, education, sports, culture and general standard of living. Their houses in large cities are fitted with all the modern conveniences and appliances. And these ideas are gradually infiltrating into smaller cities and even villages. Their tastes are gradually being brought *a la mode*; their wants are increasing. And even a village belle using a vanity case and powder-puff is no uncommon sight. Fountain-pen and a torch are no longer a luxury in Burma and adjoining Eastern tracts but a necessity even for a villager. Modern footwear is popular; western dress is being gradually adopted by men, and some women are following in the footsteps of their menfolk. Dining room equipment is getting elaborate day by day. Most modern houses are fitted with concealed electric lights, automatic doors, automatic locks, refrigerators, and are even air-conditioned. Such houses are now getting common. That is to say, all the paraphernalia of modern materialistic civilization has been slowly finding its way amongst the people of the Far East.

This change in the material surrounding of the peoples of the Far East is reflected in their keen desire to place their industrial and commercial organization on a modern basis. For good or for evil, they are anxious to remove the stigma of "backwardness" from their faces. But most of them have not been free so far to adopt what is best for their countries. Only Japan had been politically free since the country was opened for outside intercourse in 1853. All other Far Eastern territories are either under subjection and/or exploitation by foreigners, or are undergoing turmoil and revolution in their yearning for complete freedom from foreign

control in several ways as China, Thailand and Philippines. And with full political independence together with their sovereignty fully assured, a tremendous energy—almost atomic energy—will be let loose in those regions, that will achieve wonders. Rapid industrialisation will follow. And whereas now, they are now mainly suppliers of raw materials and buyers of finished goods, they may one day reverse the order. And with yet even greater development in industries, there is no reason to doubt that they would not buy from foreign countries. With greater industrialisation the wants of the people will increase and their tastes will undergo further change. There will be created more buyers every day, and the total volume of their requirements will daily appreciate in circumference and dimensions. They would require varied types of machinery and tools for their industrial concerns. And we have to watch this development.

We are thus approaching this developing market of the Far East—a market in a state of revolutionary changes. And it is a market of about 35% of the total population of the world. Together with India, Burma and Ceylon, it swells to a market of 60% of the world population. It is in short a market of 1,112 million people in varying stages of modernization, deeply attracted by the beauties of the material world. Their mutual dealings will in time exceed in proportion and volume our wildest anticipations and expectations. It is not thus a closed market.

Are we then to neglect this market which provides a great field for economic operations? Is India to neglect her duty towards the countries that are for ages so intimately connected with her, racially and culturally?

Let us, however, see first the present position in respect of the foreign trade of all these countries taken toge-

ther. For that purpose, let us pool together the export and import trade of all these countries.

TOTAL IMPORTS AND EXPORTS

The imports and exports taken here are for a representative normal year for each country which the writer considered as suitable to conform to the actual normal condition of each country. They are not triennial or quinquennial averages as are usually taken, nor are they the latest figures. The latest figures, so far as the value of the exports and imports is concerned, will give a false picture, as the value will be much inflated, based as it would be on wartime price level which is necessarily high. On the contrary, one normal but representative year gives a better idea of the situation than an average of some years or the wartime figures. The figures of import and export therefore refer to a representative year and are not averages. Those figures, however, include the interchange of exports and imports amongst the Far Eastern countries themselves.

Value of the Approximate Total Exports of the Far East.

				<i>Amount in the country's currency.</i>	<i>Amount in Pounds Sterling (£) currency.</i>
Japan	..	..	Y.	3,576,000,000	£ 210,353,000
China	..	..	Y.\$	575,000,000	„ 35,937,000
Indonesia (Dutch E. Indies)	..	..	G.	773,000,000	„ 96,625,000
Indo-China	..	..	P.	349,427,000	„ 31,770,000
Malaya	..	..	S.\$	717,384,000	„ 85,384,000
Thailand	..	..	T.	210,260,000	„ 19,660,000
Philippines	..	..	P.	242,450,000	„ 20,939,000
*Hongkong	..	..	HK\$	125,000,000	„ 7,812,000
Total ..					£ 514,480,000

* Total, say, about £ 515,000,000.

**Value of the Approximate Total Imports of the
Far East.**

<i>Country.</i>		<i>Value in the Country's Currency.</i>	<i>Value in Pounds Sterling (£) Currency.</i>
Japan	Y.	8,768,681,000	£ 215,516,000
China	Y.\$	1,029,665,000	„ 60,569,000
Indonesia (Dutch E. Indies) ..	G.	478,500,000	„ 59,813,000
Indo-China	P.	288,226,000	„ 21,057,000
Malaya	S.\$	687,384,000	„ 85,923,000
Thailand	T.	194,678,000	„ 17,698,000
Philippines	P.	269,720,000	„ 29,960,000
Hongkong	HK\$.	120,000,000	„ 7,500,000
Total ..			£ 498,636,000

Total, say, about £ 500,000,000.

TOTAL TRADE OF THE FAR EAST

From the above figures of exports and imports, we may roughly calculate the total foreign trade of the Far East (including the mutual trade of the Far Eastern Countries) :—

Total Exports ..	£ 515,000,000	=	Rs. 6,695,000,000 (about 669 crores)
Total Imports ..	£ 500,000,000	=	Rs. 6,667,000,000 (about 666 crores)

Thus, the total trade of the Far East is about £1,015,000,000 (or about Rs. 13,553,700,000, that is, about 1,355 crores).

* The figures of total exports and imports of Hongkong are not taken here. Hongkong exports mainly China-made goods and also imports goods from China. The figures of export of China-made goods from Hongkong and import of goods into Hongkong for China, are included in the exports and imports of China proper. Hongkong consumes only about 25% of the goods imported into the Colony in case of most of the articles imported and of the total exports of Hongkong only about 25% form the goods actually made in the Colony of Hongkong. The figures of exports and imports of Hongkong included in the statement are therefore only these 25% of the total exports and imports of Hongkong. (See previous page).

Compared with the foreign trade of Great Britain or U.S.A., this may not appear big in volume because the figures of their individual foreign trade might exceed the entire trade of the Far East. And if Japan is left out of the Far East trade, then the balance would appear fractional. But what is to be considered primarily is not the present volume of trade alone but its potentialities. These potentialities are very great, and the market of about 690 million people, when placed on modern standards of living and industrial organization, would absorb almost anything that is offered. The people there would themselves be able to produce large quantities of articles for exchange in international markets. In course of time they would even surpass all that Great Britain or U.S.A. can offer or absorb.

But even at present that trade offers excellent possibilities, as the immediate requirements of the people in that region are great. War has affected some parts of China and Japan mainly together with Philippines, Indonesia and Malaya. Not much production is therefore possible in these countries for some time more. On the other hand, China's west is so well developed since the war. Japan will be adversely affected in this post-war period. But if starvation is to be avoided in Japan, then Japan's industries must be resurrected and developed. The Japanese will be able to take up their former position in the next five years if the Allies allow them to do so.

But the other countries of the Far East have not suffered much in war and are craving for goods from abroad and to offer their own in exchange. How to meet this demand is the question.

WHO WERE THE SUPPLIERS?

The principal suppliers to the Far East of finished goods, machinery, tools, vehicles, steam engines, steamships, aeroplanes, medicines and chemicals, toiletries and all in the line of machinery, were, for all practical purposes, Japan, Germany, U.S.A. and Great Britain, with some other European countries like Czecho-Slovakia and France accounting for a small share. Russia had not yet taken her place amongst them in 1939. And later on, she got engaged in the European War and herself became a buyer.

Now, which out of these supplying countries would be able to resume its full share in the exports to the Far East immediately? The answer is only U.S.A. Russia would take at least another year to produce peace time goods on a large scale and dump them first in China. Japan would take another five years to rehabilitate her industrial and commercial organization so as to be able to supply at least a part of her former volume of goods. Germany will be out of it for another five years. And both Germany and Japan will not, perhaps, be allowed to develop their heavy industries for some time more. The Allies who are now occupying Japan have openly declared that they will destroy the big industrial combines in Japan, which in turn, will reduce the Japanese heavy industries to insignificance. Japan thus will be reduced to the status of an agricultural country, shorn of her enormous development in the industrial field. She would supply only whatever raw materials she has got and would remain a purchaser of finished products.

As to Great Britain, the conditions are not far more optimistic. Destruction by bombing has been great. The people's first care is to have their houses rebuilt and their

factories reconstructed. Of course since the blitz of 1940 and since the robot plane blitz of 1944-45, England has been rapidly recovering. The dogged determination of the great British people both in adversity and prosperity, will ultimately overcome the present phase of distress, and rehabilitation will be achieved early. And yet, Great Britain will have first to think of Europe nearer home than the far-off Far East. And what a spectacle Europe presents today! Starvation and death are staring straight in the face, and industrial fabric is thoroughly disorganized. In such a situation Europe cannot produce much, and Great Britain will have to meet that demand. Besides jointly with America and Russia, Great Britain has a large share in the responsibility for preservation of Europe from famine of foodstuffs and machinery. Recently, Mr. William Grimshaw prepared for the "News Chronicle a sketch on "Europe's plight". Therein, he gave an idea of the production of some important articles before the war and of how much can be produced in Europe in the post-war period during 1945-46:—

(1) <i>Product.</i>	(2) <i>Pre-war normal Production.</i>	(3) <i>1945-46 Pro- bable Production.</i>
Wheat and Cereals ..	98,000,000 tons	47,000,000 tons
Potatoes	65,000,000 "	40,000,000 "
Cattle and Pigs ..	340,000,000 ani- mals	120,000,000 ani- mals
Coal	370,000,000 tons	75,000,000 tons
Locomotives	127,000 Nos.	32,750 Nos.
Waggons	45,000 "	9,375 "
Lorries	2,550,000 "	1,950,000 "
Horses	2,100,000 "	1,575,000 "

The above figures do not include those for Great Britain and European Russia, Spain, Portugal, Sweden and Switzerland.

This will show how great is the disparity between the production of the major portion of Europe which is the

minimum necessary for the very existence of the people of that region together with imports from abroad, and its probable production at the end of 1945. How is this difference to be made up? The population of Europe, excluding Great Britain and European Russia, Spain, Portugal, Sweden and Switzerland is about 250 millions. The people used to produce in normal times the numbers and quantities as mentioned in column two above and used a large quantity thereof for their own purposes. But now in this post-war period, they would produce hardly 25% of some and about 50% to 75% at the most in the case of a few others. What then is the result? The answer is supplied by the *News Chronicle* in its following comments on the figures:—

“It (i.e. the illustrated sketch with the figures of production) shows what used to be produced and what, it is estimated, will be produced in 1945-46. Because all the figures are not available, the story in figures can be no more than estimate. The figures of 1945-46 show production, and not imports; for example, before the war, Germany, in addition to her own production, used to import some 3,000,000 tons of cereals.

“These are the figures. But it is still almost impossible to imagine the immensity of the problem. Relief measures merely touch the fringe. Europe must be put on its feet again. Agricultural industry and transport must be revived. Alternative is complete disintegration.

“It starts with food and fuel; food for the people, fuel for transport and industry. But it is a vicious circle. Miners need food before there is coal; transport needs coal before it can move; and before there

can be food for the miners, there must be agriculture, which lacks coal, machinery, fertilisers and transports. "And for all these figures there is the human equation. In the end it comes down to men, women and children. Millions are still on the move. In devastated towns they prepare for the winter by collecting firewood, and in the country, farmers and peasants try to gather the harvest.

"Autumn is already here; soon it will be winter... and...?"

It is feared that in the peacetime Europe, this winter will bring hunger and death to millions. This is a representative picture of Europe.

What does the description further tell? It indicates that the whole transport system of Europe is so dislocated that both agriculture and industry will be very seriously affected in 1945 and 1946. Production of both will not only be sub-normal, but far too little to be of importance in meeting the bare needs of the people. Large quantities of bare necessities will have therefore to be imported. At the same time the purchasing power of the people is at the lowest ebb. But Britain, U.S.A. and U.S.S.R. are in occupation of practically the whole of Europe except Sweden, France, Spain and Portugal. It will be their responsibility to keep the people alive and to rehabilitate their industries so as to increase their purchasing power. But presently, they must supply to the peoples in Europe their requirements of food and industry. And Great Britain and Russia, the nearest of the three will have to shoulder a larger burden. The U.S.A. of course, will be the principal supplier to the whole of Europe, even including Britain and Russia.

From amongst the suppliers to the Far East, therefore, Japan, Germany and Britain—amongst the largest exporters to the Far East—will be out of the list, the first two entirely and the third partially. The U.S.A. will have its hands so full first with Europe and then with all other countries of the world that she cannot spare much for the Far East alone. Besides, the cost of production is high in U.S.A. in some cases as compared with that in other countries, and her standard of currency is also higher than most of the standards of currencies of the Far East. This makes the price of American goods look rather high and prohibitive when reduced to currencies of the Far East. Another important problem is that shipping facilities are at present so restricted owing to the urgency for repatriation of soldiers home from different war theatres, that very little will be available for general trade. This will restrict free movement of cargo, especially for such distant tracts as the Far Eastern countries.

But on the other hand, Soviet Russia, with her vast machinery and man-power so far geared to war production, would now be converted for the production of peacetime goods. Russia will have the market in China particularly for her machinery and similar products. But even then large quantities of Russian goods are not expected to be poured into the Far East, not even in nearby China. She will take another year to do this.

Thus, none of the major suppliers of materials and articles to the Far East are in a position to despatch goods there, at least for one or two years more. And even if they have surplus for the Far East, they may not have the necessary shipping at their disposal. Preference will be given to transportation of soldiers, and their kit, and everything else will come thereafter. We

have already seen the stringency. The burden of carrying cargo will have, therefore, to be borne by such cargo and tramp steamers as may be available after meeting the requirements of the transport of balance stores, equipment, kits and other war materials from different war fronts back to respective countries. Consequently, only a limited number of steamers will be available for the carriage of goods, even if we take the new construction of tonnage into account.

Ultimately the position, therefore, resolves itself into this: that some other supplier or suppliers must be found to take the place of the above major suppliers, some of whom have lost the ground entirely. Perhaps Japanese goods produced under Allied supervision may to some extent meet the situation. And even if a ban is put on the Japanese trade with the Allied countries for some stated number of years, there is also the possibility of such goods passing through Phillippines, Manchuria, China and Korea as "Made" in these countries although originally the goods might have been manufactured in Japan. Nevertheless the Far East will have to find other sources of supply to make up for the deficit created by the inability of Japan, Germany and Britain to supply the necessary goods. In other words, they will have mainly to look to India and also to Russia to play that role vacated by Japan and Germany, and by Britain to some extent. Of the two—India and Russia—India has not suffered much by actual warfare and bombing on Indian soil (except of course in the easternmost parts for a short time in 1944). India, therefore, would be called upon to play a greater role in the supply of various categories of goods to the Far East, excepting perhaps highly specialised machinery.

PART III

**THE ECONOMIC RESPONSIBILITY
OF INDIA**

CHAPTER XV

INDIA IN THE FAR EAST

It is one of the ironies of fate that some of the territories that were until recently known as "Further India" have now been shorn of their Indian connections almost in all respects. Of course, two names still remain significant, those of Indo-China and Indonesia or the Dutch East Indies. The names of some of the towns, such as Singapore, and others in Thailand and in other Far Eastern countries still signify India's intimate association with those countries. The former name of Thailand, that is, Siam, means "Colony", obviously an Indian colony. And so far as China and Japan are concerned, India has supplied them a culture and higher religion of an undying nature. Major K. M. Pannikar, in one of his recent books *The Future of South-East Asia*, refers to this position in the following significant words:—

"The area described as South-East Asia has been for long known as Further India. The name is significant and embodies the idea which had been recognized from early days till quite recent times that India and South-East Asia were connected integrally in their political, social and economic life, and have reacted on each other in their historical growth. Burma, Thailand, Indo-China, Malaya and Indonesia though under different administrations and subjected to different cultural and economic systems, still have certain essential features which give rise to common problems susceptible only of a common solution.

“From the first century A.D. to the middle of the fifteenth century this entire area, with the possible exception of Burma, was politically within the Indian sphere. The *Ramayan* speaks of Java, and Chinese records testify to the existence of Indian kingdoms in Cochin-China, Cambodia and Annam, as early as the first century A.D. The continuous history of these Hindu kingdoms in the entire area of South East Asia, till the fifteenth century, has now come to light through the efforts of Dutch and French scholars. Sea power based on India had for a thousand and five hundred years closely united the mainland with island India and with the Hindu Kingdoms in the east”.

Similar testimony is provided by Dr. Radhakamal Mukherjee in his book *A History of Indian Shipping and Mercantile Activity*. The latest addition to this subject is a product of detailed research work by Dr. R. C. Majumdar, M.A., Ph.D., former Vice-Chancellor of the Dacca University. Dr. Majumdar has for the present brought out an abridged volume entitled *Hindu Colonies in the Far East*. He is, however, going to publish, when paper is freely available, the history of these colonies in several bigger volumes which will be awaited with interest. Additions to the literature on the subject will be welcomed in India.

But in the meantime whatever literature we have on the subject goes to confirm that “India” and “Further India” were not two names. Both of them formed one whole. They were part and parcel of one and the same entity. And even now, with the domination of other powers in the home country and in Further India, and even with the adoption of other religions in some parts as

in Indonesia, the essential underlying culture is primarily Indian. The habits of the people, their customs and manners, their ceremonies and rituals, and even their foods and drinks give indication of their Indian association, and in many respects, Indian origin. The assimilation of Indian culture and civilization by the people of those places during the long concourse of fifteen hundred to two thousand years has been so complete that the last four centuries of foreign domination in political spheres in most, and religious transformation in some other territories have not served to eradicate that assimilation. In fact, sons and daughters of India have formed the political, social, religious and economic backbone of the countries of South-East Asia.

But the remarkable feature about this contact of India with "Further India" is the existence of complete equality between the Kingdoms in the home country that originally founded those colonies, and the kingdoms in the colonies themselves. The existing records do not show that the kings in the home country ever assumed the position of overlordship over those colonies. The colonies were ruled by their own kings and not by governors sent from India. The kings in the colonies were as free as those in the home country. That is to say, when India was at the height of her power since the fourth century B.C. to the fifteenth century A.D. overseas Indian colonies had enjoyed complete self-governing status within the Indian Commonwealth of entirely free countries. The Mauryas, the Guptas, the Chalukyas, the Saurastras, the Pandyas, the Tailangas, the Kalingas, the Shailendras, the Shri Vijayas, the Chavajas, the Chavas, the Jats, the Vardhanas, the Vangas, the Sinhalas, the Gandharas, the Bhojas, the Mahasins, the Kushanas, the Cholas, the

Andhras had all a share in acquiring these colonies for India. But the Indian colonists founded their own government there and got intermingled with the peoples of those places. The Indian kings were happy at the thought of their own kith and kin were ruling there. Consequently, there was no colonial exploitation of those places by the home country and there was no "drain" on the resources of those colonies. Our colonists went and settled there and adopted those places as their Fatherland. And those places became the Motherland for their descendants. The parallel is to be found in the British settlers in North America who later founded the United States of America. But the similarity ends there. The Indian colonists had not to fight with the Mother country a war of "Further India Independence" like the one that the British colonists had to fight with their Mother Country, the "War of American Independence" (1775-83). But in the case of Indian colonists, the desire of the Indian Kings to keep the colonies free is so fully reflected in the action of Ram, the hero of Ramayana who fought a bloody war with Ravan the King of Lanka (Ceylon). He destroyed the hostile and destructive power of Ravan and gave the kingdom of Lanka to Bibishan who was the younger brother of Ravan. Ram returned to Ayodhya (in the United Provinces of India) and left Bibishan entirely free to rule Lanka in a just and generous manner. There were no reparations and no indemnity demanded by Ram from the Kingdom of Lanka. And later, there was no Secretary of State for Lanka ruling Lanka from Ayodhya.

This characteristic is reflected in the general treatment by the Indian kings of their colonies in Further India. Many are apt to treat these stories like those of Ram and Ravan, and the Ramayana, as "myths" and

"mythologies". But even then they reflect the prevailing ideas of those classical times as to the governance of Indian colonies. Actual personalities may or may not have existed. Or the actual names may be different. But their allegorical significance at least, if not true historical facts, cannot but be emphasised.

This then has been the historical contact of India with the countries of Further India now known as the South East Asia. We have lost that contact in some way. We have forgotten our own history; and the continued suppression and foreign domination in both the places have made us look small in the eyes of the world. We have become so much stunted and appear incapacitated to such an extent that we have begun to look upon our own brilliant achievements of the past with suspicion. These achievements should inspire us to improve our present and achieve glory in the future. No other country of the world, ancient or modern, had so many overseas colonies as India had for an unbroken period of about 1,500 to 2,000 years, that is from the period before the Christian era right into the sixteenth century A.D. These colonies were spread both in the east and the west, as well as in the south. This fact alone should inspire us to regain our lost position; not the position of political domination or economic exploitation, but a position of free political partnership of free countries; the position of a territorial division of labour unhampered by nauseating tariffs in the economic field.

We are presently concerned mainly with the last question as to how best India can serve her former limbs in the economic field, when those limbs are deprived of their supplies needed for their development. But, at the same time, we cannot but sympathise with the political aspira-

tions of the peoples residing in Further India. They must be free, free to evolve their own destiny as they choose, because, without political independence their full development in the economic sphere will not be possible. What is economics today but politics? Both are so interdependent that without freedom in one the existence of other is not possible. Consequently, we are hoping that the status of full independence will be achieved by the countries of Further India in the near future.

As to China, Japan and Philippines, India's age-long contact has been almost immortalized through the gift of Buddhism to China and Japan. And the existence of political contact of India with the Philippines is now fully established. Buddhism was officially introduced in China in A.D.61, although unofficially the introduction dates back to the third century B.C. Since then India's association with China became more intimate, and the Chinese scholars agree that this event (the introduction of Buddhism in China) has revolutionized Chinese life almost in all its aspects. Li Ung Bing in his *Outlines of Chinese History* has described the revolutionary change in the following words:—

“That pagodas, temples, etc. are built in China after a Hindoo pattern is a fact too well known to need repetition here; it is not in Chinese architecture alone that traces of Hindoo influence are found. They are also found in Chinese arithmetic, astronomy, astrology, literature, music, sculpture, painting, and, in fact, in almost every branch of Chinese art and science. The most important point students have to bear in mind is the extent to which Chinese civilization has been revolutionized since the coming of Buddhism.. Of all the changes that have resulted

from the spread of Buddhism, those in connection with Chinese literature are of the most permanent value. They are what we may call the Chinese syllabic spelling and the system of Four Tones..... For the first time, the Chinese were given an alphabet and taught that each monosyllabic sound was divisible into parts''.

This will make it clear how intimately and how indissolubly the lives of the Chinese and Indians are interwoven together through ages of cultural contact which had made economic intercourse possible. Along with Indian culture, Indian medicines and even Indian medical system found their way into China. Even now the Chinese think that India is the storehouse of wonderful medicines. Indian medicines formed an item in the commercial exchanges between India and China. Several such articles were thus exchanged between China and India. China sent silk, silk piecegoods, tea, paper and sugar to India; while the latter sent medicines, muslins, cotton piecegoods, books and various other items to China.

This ancient process was continued for a long time, and the trade between China and India was carried on by the Indian colonists settling in Indonasia, Indo-China, Siam and other Far Eastern places. Chinese and Indian goods came to be exchanged there. The Shri Vijaya kings—a dynasty from India—had firmly controlled the Straits of Malacca and ruled practically the whole of the eastern territories from their seat on Sumatra. Merchants from all the places of the eastern world congregated there (in Malacca and Sumatra) for the exchange of their goods. And thus the Chinese and Indian goods came to be exchanged there.

But, thanks mainly to that great enterpriser of India

in modern times, Sir Jamshetji Jejeebhoy, the Indian "Sindbad the Sailor", direct trade between China and India was revived in the eighteenth century. This great philanthropic Parsi pioneer of modern India's foreign trade, undertook several voyages to China, himself going on his ships at least five or six times, and braving all the risks of the voyage. during one of which he was taken prisoner by pirates, and carried on India's trade with China. This gave incentive to other Parsi, Hindu and Mahomedan adventurers to follow in his footsteps, and several others established their business connections with China. Such names as Modys, Banajis, Readmoneys, Patels, Karanjias, Ruttonjis, Motichand Amichand, Wassiamulls, Currimbhoys, Abdulally Ibrahims, Tatas and others are well-known in this period of renaissance of the Indo-Chinese trade. The process is continuing but very slowly. This must be activated, and the present is the best opportunity for same.

As to Japan, India's contact with that country had been indirect first, when Buddhism was unofficially introduced in Japan in the fourth century and officially in the sixth century A.D. (532) over the bridge of China and Korea. But direct contact of Japan with India was not established till the eighties of the nineteenth century (A.D.) Japan had remained in seclusion from the beginning of the sixteenth century to 1853. Before that time, the Japanese had not undertaken any long sea voyages as the Chinese and Indians had done. So, Japan had not come into contact with India till late in the nineteenth century.

Here again, thanks to the enterprising spirit of our Parsi brethren, India's direct contact with Japan was established by that remarkable pioneer industrialist of India, Jamshetji Nusserwanji Tata. He induced

Nippon Yusen Kaisha, the leading Japanese steamship company, to open services with India, the House of Tatas acting as the agents of the company in India. Since then Japan's contact with India has been intimate. A large number of Indian merchants have been residing in Japan and a number of Japanese firms had opened offices in India. Nippon Yusen Kaisha later opened its own offices throughout India. Initially, the average Japanese cherishes an innate respect for Indians which is often not seen even in China. The Japanese feel eternally grateful that Indians have their association with the Land of Buddha. Buddhism, together with its latest offshoot the Nichiren Sect, has been the universal religion of the Japanese despite the existence of Shintoism. And because of Buddhism, they have respect for Indians. They also think that India is the world's ancientmost and the greatest storehouse of knowledge and civilization. Once in Canton, I had an occasion to call at the Japanese Naval Headquarters in my capacity as journalist about a year after Japan had occupied Canton. The Japanese Naval Officer at the Reception Office asked for my name and nationality. When this was given, he read it and suddenly jumped from his chair, gave me a right royal salute and said "Oh, you come from the land of Buddha". I, then, realised how much they revere and worship Buddha. This attitude is almost representative of the common people of Japan.

But Japan's militarists and capitalists forgot the real Oriental way and rushed in the footsteps of the imperialistic and aggressive materialism of the west. They forgot the real teachings of Buddha, of Renunciation and Contentment. They imbibed the greed of the west—greed for wealth, domination and exploitation—and remodelled all

the nation's politics and economy on the basis of those of the west. They did not follow the example of China and India in the matter of their colonies and tributary kingdoms. Beyond receiving a small tribute, there was no interference by China and India in the internal affairs of the tributary states who were entirely free to act as they liked. On the other hand, whenever tributaries or the colonists wanted an assistance of the seeming overlord or of the home country, the latter gladly gave it at his or its own cost. This is very well illustrated in the matter of Korea. This "Hermit Kingdom" was a nominal tributary kingdom of China since the seventh century till 1894, that is, for about 1,200 years. During this long passage of years, the Chinese Emperors did not incorporate Korea into their own realm, though they could have easily done so. On the other hand, Korea was often helped by China against the Japanese invaders from the seventh to the fifteenth centuries. And in 1894 China went to war with Japan on account of Korea. China was, of course, defeated that time. But this association of Korea and China brings to prominence two main points, (1) that China never thought of incorporating Korea within her own territory, and (2) that China actually helped Korea in the latter's wars, as a sort of duty of the overlord towards a tributary. But as soon as China was out of power in Korea, and Japan stepped into her shoes, Korea ceased to exist as an independent Empire within 15 years. Japan, which had closely followed on the heels of Western Imperialism, proved herself a pupil more brilliant than the teacher himself. And within fifteen years from 1895 when the Sino-Japanese War (of 1894-95) came to an end and Japan acquired sole power in Korea, the latter was absorbed in the Japanese Empire. Thus what China did not

do in 1,200 years, Japan did in fifteen. A case of Western Imperialism in practice with Japan's militarists, capitalists and imperialists as its devotees!

But Japan now appears to have repented and relented. The atom bomb has effected the "magic" change. And today again, we find Japan knocking at the doors of India for guidance in the Oriental way. In her adversity, she has rightly looked to India as her age-long teacher whom she had forgotten since 1853. And rightly too, Pandit Jawaharlal Nehru to whom the Japanese people addressed the appeal for guidance, told them bluntly to shed imperialism and capitalism, and follow the path of justice, peace, and goodwill towards men shorn of greed. This is a great message that Panditji gave to the Japanese people—a message that India has been giving to all the world since its dawn. The general hope and prayer is that the Japanese people will find in the Oriental way that peace and contentment which they have never known since 1853 when they first imbibed the taste of capitalistic imperialism of the West. It is hoped that the people of Japan, now freed from the oppression of their imperialistic masters, will find their inner soul exalted in the realm of justice and freedom for all divested of imperialistic and capitalistic greed. It is hoped too that they would develop along the real Oriental way of China and India, their real teachers, and find that solace and happiness which their imperial aggrandizement could not, in the nature of things, offer.

Japan is now prostrate at the feet of her erstwhile teachers, and one does not know what is in store for the Japanese people. But unless some industries are maintained on some scale—at least on the basis of cottage industry—the Allied Occupants of Japan will have to face

starvation all over Japan. Perhaps India's assistance may be needed for saving Japan, and exchange of goods between India and Japan may follow. India would be able to meet this demand in the best manner possible.

Now as to the Philippines, we do not think that these Islands—forming the nascent and free Commonwealth—were outside the contact of India in the past. At least in Mindanao, there are traces of Hindu rule. In Northern Philippines, monuments and inscriptions in some places show traces of Indian influence. There are several Filipino surnames which sound like Indian names. The name "Ligaya" in Philippines sounds like "Lingayat" in Indian language; "Malig" like "Mullick" in India and so on.

Further evidence can be obtained from the following quotations taken from "The Philippines and India" by Dr. D. N. Roy, M.A., Ph.D., an Exchange Professor at the University of Philippines:—

(1) "Dr. Pardo de Tavera, one of the most distinguished Filipino scholars says, "It is impossible to believe that the Hindus, if they came only as merchants, however great their number, would have impressed themselves, in such a way as to give these islanders the number and the kind of words which they did give. These names of dignitaries, of caciques, of high functionaries of the court, of noble ladies, indicate that all these high positions with names of Sanskrit origin were occupied at one time by men who spoke that language. The words, of a similar origin, for objects of war, fortresses, and battle-songs, for designating objects of religious belief, for superstitions, emotions, feelings, indicate that industrial and farming activities, and agriculture

were at one time in the hands of the Hindus, and that this race was effectively dominant in the Philippines." Again Mr. A. L. Kroeber, Professor of Anthropology, University of California, writes that "It is rather remarkable that the number of Sanskrit words is about twice as great in Tagalog as in Visaya and the Mindanao dialects, in spite of the greater proximity of the latter to Borneo. This difference can scarcely be wholly explained away as due to our more perfect knowledge of Tagalog. It seems likely that the latter people received their loan of words, and with them a considerable body of Indian culture, through direct contact with the Malay Peninsula or the coast of Indo-China which they front across the China Sea; and that the Sanskrit element penetrated Mindanao and the Visayan islands by way of Borneo." The Hon. Justice Romualdez of the Supreme Court of the Philippine Islands, himself a real Filipino derives his conclusion from G. A. Grierson's "The Indian Empire", published in "The Imperial Gazetteer of India". He says, "It seems clear that our dialects belong to the Dravidian family". It should be remembered that the Sanskrit language being primarily the language of the Indo-Aryans, is entirely different from the languages of South India used by the Dravidian people. That both the Sanskrit and Dravidian elements are found in the different dialects of the Filipinos goes to show that the influence of the Hindus of the Aryan type who had founded an empire in east Java and the influence of the Hindus of the Dravidian type who also had their empires in Indo-China and Sumatra, had been present in the Islands. It is, therefore, admitted as Jus-

tice Romualdez states, that the ancient culture of the Filipino people originated in India."

(2) "Dr. Saleeby, a member of the Philippine Academy, however, goes further and points out "that Sanskrit terms were used by Malayans in general and by Filipinos in particular long before the invasion of Java and Sumatra by the Hindus of the third or fourth century A.D."

(3) "The relation which the Filipinos hold to the Hindus is very much older than the Hindu-Malayan civilization to which we referred above," concludes Dr. Saleeby.

(4) "The relics found in the island of Mindoro seem to prove as Professor Beyer thinks that they 'seem to have been the very centre of Hindu civilizing influences'."

(5) "The Indian culture" says Professor Beyer. "made itself felt most strongly in the political, social and religious life of the populations among which it spread. Its material influence was relatively less important except perhaps in metal-working and in the art of war, though modes of dress and of personal ornamentation were also greatly affected. At the time of the Spanish discovery not only were the more civilized Filipinos using the Indian syllabaries for writing, but their native mythology, folklore and written literature all had a distinct Indian cast."

(6) "The more cultured Philippine languages contain many Sanskrit words, and the native art a noticeable sprinkling of Indian design. A strong Brahmanistic religious element was also certainly introduced.

(7) "With the exception of recent European culture the Indian influences are on the whole the most pro-

found that have affected Philippine civilization. There is no tribe in the Philippines, no matter how primitive and remote, in whose culture of today elements of Indian origin cannot be traced."

These extracts will bear testimony to the indelible stamp of Indian culture and civilization upon the Philippine Islands. One further conclusion that can be drawn is that either through Malaya and Indonesia or directly from India, the Hindus had penetrated into the Philippines, either as invaders and conquerors or as traders and missionaries, more probably the former.

These and other indications show an intimate association of long duration between the Philippines and India.

It will thus be seen that India has been a Mother Country for several countries of the Far East, and a friendly neighbour and elder brother to others. Buddha became the Teacher of China and Japan. So the Chinese scholars call India as the teacher of China. Even if we do not assume that role, it may be noted from the above extracts from Li Ung Bing's *Outline of the Chinese History* that India has been responsible for revolutionising and moulding the whole of Chinese life as well as her arts and science, which make up a nation's civilization and culture, when the latter were in the initial stages of evolution. Buddhism supplied the needed steadying influence, and made possible that dogged stoicism which characterises the Chinese people. It is this quality of the Chinese character which enables them to stand up to any calamity and to face it squarely. In adversity and in prosperity the same element is predominant in their character. They enjoy the delicious fruits of prosperity as well as the bitter doses of adversity with the same non-

chalance as if nothing has happened. We believe this is due to the elemental grounding that is supplied to their civilization and culture by Buddhism. To a great extent the same is the case with the Japanese who have further acquired the great and most valuable quality of "adaptability". They will now adapt themselves to the new circumstances with a spirit of resignation. They would say "it was fated to be so," and hope for a better turn in their fortunes.

Thus when the whole of the Far East is not only in turmoil but in travail, it is the duty of India and Indians—a motherly and brotherly duty—towards their own kith and kin in the Far East. They need food, clothing, tools, machinery and what not. India must be ready to supply these to them and buy their products in return. The exchange must be begun immediately. No time has to be lost in discharging this responsibility.

CHAPTER XVI

INDIA, THE CHIEF SUPPLIER

We have seen in the preceding chapter as to how fully and completely India is connected integrally and culturally with the countries of the Far East. Geographically India is situated in a more favourable position than any other supplier. Taken together, the countries of the Far East and India are as if parts of the same body. Redistribution of the resources of all these countries amongst themselves on the basis of fair exchange is therefore a necessity. The needs of each of those countries have to be studied, and whatever India would be in

a position to supply to the Far Eastern countries, must be despatched to them immediately. A number of articles, mainly manufactured, would be required by them. India, though she has not yet fully assumed the role of a manufacturing country, has made considerable strides in that direction during the wartimes. A vast number of factories and mills have come into existence in recent years. If these are to be kept working, development of trade with the Far East has to be encouraged.

For this purpose, India is ideally and admirably situated. She is in close proximity with the countries of the Far East. This territorial propinquity reduces the cost of transportation as well as of other services in an appreciable manner. The Indian products to be exchanged are mostly such as are required for the use of the countries of the Far East. A large number of Indian merchants, mainly Sindhis, Gujeratis, Parsis and Chetties, have already got their big establishments in those territories such as in China, Japan, Philippines, Indo-China, Thailand and Indonesia. In Malaya and Straits Settlements, Indians form an appreciable number of the population in all walks of life, including trade, industry and commerce. Rigours of climate will not be felt by Indians if they move in those parts, excepting perhaps in North China and Japan where the climate is cold in the winter. But the Sindhis, Gujeratis and Parsis stand that climate without difficulty. Only the Chetties have a dislike for cold climate. The Marwaris and Dakshini (Maharashtrian) merchants are hardly met there. Only a sprinkling of Punjabi merchants is found. Punjab mainly supplies the defence and police forces in the British colonies. Bengal is not represented at all in trade and commerce in the Far East, excepting a few in Singapore. It is a mat-

ter of wonder that the great and enterprising Marwari community has not been represented at all in the Far East, though they are now seen in Europe. Greater association of this eminently commercial community with the Far Eastern trade will be of considerable benefit to the foreign trade of India. In course of time, however, it is hoped that they will not lag behind other Indians in this respect.

India's intimate connection with the Far Eastern countries ordains that she cannot shirk the responsibility now devolving upon her *vis-a-vis* those countries. She is happily situated in almost all respects. And it is a matter of satisfaction that she is in a position to spare, or even if necessary to manufacture and supply, several products required in the Far East.

Rightly, therefore, India was made the centre of the Eastern Group Supply Council by the Allied governments. Mark the word "SUPPLY". Thus India has actually assumed the role of supplier to the Eastern Group Countries. These include all the Far Eastern countries with Australia and New Zealand added thereto. India, therefore, has not only become the supplier to the countries of the Far East but a base even for Antarctica (Australia, New Zealand, etc.). And with this, the role of India as a buyer of the products of those countries will naturally follow. International commerce is, in the last analysis, an exchange of goods for goods, a barter. No country can keep on selling to another country indefinitely, unless it also buys something from her purchaser. A ship carrying goods to another country cannot return home empty. Thus, apart from merchants, the owners of ships also would try to carry something back home in their ships. They thus assist in the exchange of trade, and

mutual trade begins between those two countries. In this way, although both the exports and imports of two such countries may be interpreted in terms of money, at base foreign trade is actually an exchange of goods. Consequently, when India would be exporting goods, she would naturally be buying raw materials as well as finished products from those countries just the same. For a time the balance of trade may be in her favour. In some cases, it may be against her, if she buys more raw materials like tin and rubber from Malaya and exports less to her. But in course of time foreign trade should adjust itself appreciably, and in the long run trade balance will balance itself.

When we say therefore that India would be the principal and most important supplier of goods to the Far East, we take it for granted that India would also be an important buyer of Far Eastern products. Thus the productive capacity and therewith the purchasing power of the Far Eastern people will be greatly increased. This trade will also increase the purchasing power of the Indians themselves and remove the stigma of "poverty" from India's forehead. Incidentally, we are not prepared to subscribe to the view that India is a poor country. Many adduce the argument of the lowest *per capita* income of India to prove India's poverty. We do not think that this is the only method of indexing the income of Indians. To our mind the capital that may be available in India has not been forthcoming for productive use, and naturally therefore the *per capita* income in India is low. If this capital comes forth under proper stimulus, then the same will be available for purchasing machinery from Western countries and raw materials from the Far Eastern countries for the industries of India.

India, therefore, can both be a supplier to the Far Eastern markets and a large scale buyer of the Far Eastern products, such as, rice and timber from Indo-China and Thailand; tin, rubber, sugar, oil and spices from Indonesia and Malaya; sugar, ropes, ores and tobacco from Philippines; raw silk, tea, batteries and torches, beans, and essential oils from China; raw silk, tinned fish and rayons and several other articles from Japan; beans, ores and coal from Manchuria; and timber, zinc, gold and silver ores, tungsten, ginseng, etc. from Korea and so on. There will be many other items of imports from these countries in exchange for exports from India. And excepting in the case of Philippines, Japan, Java, Sumatra and other Indonesian islands, most of the major countries can be reached by land routes. They are almost a continuation of the Indian frontiers.

WHAT INDIA CAN EXPORT?

What then India can export to these countries?

The list can, by no means, be exhaustive. A very large number of goods and articles can be supplied to the Far East. We have stated that the Far East is a changing world, undergoing revolutionary changes in all walks of life. The people there have been taking to modernism in all ways. And whatever new thing is produced and offered to them will be acceptable to them. Thus, not only those articles which they are already accustomed to use can be sold there, but any new article not known before will also be acceptable to them with pleasure. *The Far East is therefore a developing market. This is the essential point to be remembered.* It is a market of about 70 crores of people (about 690 to 700 million people). So, whatever one has to offer to that market which is in a stage

of development may be absorbed by it. The people there want all the modern machinery, fineries, articles of luxury, house fittings, motor cars and aeroplanes, all decorative devices, electricity, telephones, together with all the paraphernalia of modern life in the West.

Thus, the list cannot be exhaustive. However, it would be useful from the point of view of this survey to specify and enumerate a few articles that may be easily sold in the Far Eastern market.

I. IMPORTANT INDIAN PRODUCTS

I. COTTON TEXTILE: So far, Japan had been the principal supplier of textile products to the Far East. Japan assumed this position after her war with Russia (1904-5). Prior to that, India had been the chief supplier of cotton cloth and yarn to the Far Eastern markets with Britain coming next. The quality supplied, used to be even from such low grades as ranging from 10's to 25's along with some superior grades, occasionally up to 40's. This was India's trade from ancient times, and continued on a larger scale since the Mill Industry of India had assumed importance and was in a position to export its products. This position was lost by India when Japan stepped in. Prior to the Sino-Japanese War, Japan used to supply to all the countries of the Far East cotton products of an approximate value of £30,000,000 (about Rs. 400,000,000 or Rs. 40 crores). If Japan, therefore, is unable to supply this huge quantity as a result of the breakdown in her production due to war and its aftermath, then India should be in a position to redeem her lost position. Thereby, there would be no possibility of depression in India's Mill Industry in the post-war period. Greater development, is, on the contrary, possible.

It is true that due to shortage or absence of import of Japanese textile products into India, the latter will have to meet her own demand. But, this demand can be met by stepping up production in the existing mills and by establishing new mills in the country. The increase in the output will thus meet the demand of the Far East. If there is any surplus, Africa is a stand-by for Indian products, because Japan was also a large supplier of cotton textiles to Africa. India will meet a part of her demand by small imports from U.K.

II. COTTON: The mill industry will have greater assistance from the supply of cotton, rather at cheaper prices. Japan, one of the principal buyers of Indian cotton, will not be buying cotton in large quantities at least for some time more. All that cotton will be saved to India. On the contrary, there is the possibility of Shantung (China) cotton being imported into India. So far this cotton used to be exported to Japan. A part of it may be diverted to India. Other provinces producing cotton in China are Kiangsu, Chekiang, Hunan, and Hupeh in Central China. But most of the cotton mills are situated either in Shanghai or in Shantung with a few in Central China. Several of the mills in Shantung were Japanese-owned. All these mills will not, however, be able to absorb the entire quantity of cotton produced in China. China is the world's third largest producer of cotton, coming next after U.S.A. and India. The average production per year is about 7,000,000 quintals.* But this is capable of large improvement. The acreage can be increased to any extent considered necessary. However, the cotton produced is of short staple and of rather infe-

¹ See Appendix C.

rior quality. About 10's to 25's can be mostly made from it. Continuous efforts are being made to secure improvement. Mills in China consume about 4,000,000 quintals of Chinese cotton, their total consumption of cotton from all sources being about 5,500,000 quintals. China thus imports about 1,500,000 to 2,000,000 quintals of foreign cotton and exports about 3,000,000 quintals of her own. Of the cotton consumed in China, the country further exports yarn to the extent of about 800,000 quintals. But in the changed circumstances of today China would rather export her inferior grades and import superior grades from U.S.A., India and Egypt.

Other principal cotton producing countries of the Far East are Korea, Japan and Thailand. All this cotton is not likely to be used in the Far East at present. Nor will it be exported to U.S.A., or U.K., as the cotton is of inferior quality. It is likely, therefore, that some portion of what was formerly being exported to Japan or was being consumed in the Japanese Mills in China would find its way into India. Of course, some of the Japanese mills in China may be run under Allied control for the present. And yet they will not consume for some time more the quantity of cotton they did in the past. A quantity of Chinese cotton will, therefore, be exported to India for production of rough cloth which may be re-exported to the Far East.

We feel, therefore, that a large quantity of cotton will be available for use in the Indian mills. They can produce more yarn and cloth for export to the Far East. All mills can be worked to their maximum capacity same as they did during the war, but without the wartime restrictions. Again more mills may be established. By means of all these measures, the Indian millowners can

meet the demand of the Far East and Africa. There need be no fear of Japanese competition in time to come, because, when the markets of the Far East and Africa are fully developed, they will absorb all that Japan and India can produce, together with imports from Europe, and America.

III. TEA: All the countries of the Far East produce tea as well as export it. And yet they import superior Indian tea. This export can be augmented. People there hardly drink water or even milk. They drink tea without milk and sugar as we drink water. Large quantities of tea are therefore required. However, Indian tea is mainly used for parties. All foreign style hotels use Indian and Ceylon tea.

IV. JUTE AND JUTE PRODUCTS: Exporters from India can have direct trade with the importers in the Far East. Greater development in this trade is possible. Gunny bags are supplied mainly from India as also jute twine.

V. SEEDS AND SEED OILS: All these would be needed in large quantities.

VI. GRAINS, FLOUR AND PULSES: As much as India can spare, will be absorbed by the Far East, rice specially.

VII. WOOLLEN MANUFACTURES & WOOL: These are used in large quantities, and great increase is possible in exports from India. In winter, the northern regions of the Far East are cold and all people use either woollen or padded coats.

VIII. COAL AND COKE: The consumption of coal in the Far East is increasing. Of course, almost all the countries of the Far East are coal-producing. China is the third largest country of the world in point of coal

reserves, coming next after U.S.A. and Canada. But her annual production of coal hardly exceeded 30,000,000 tons in normal times. Japan used to produce annually about 45,000,000 tons, but had to import much more. She was straining every nerve to produce at least about 65,000,000 tons per annum. Indonesia, Thailand, Malaya, Indo-China, Korea, Manchuria, and even Philippines and Formosa produce coal. Next to Japanese ports and industrial centres, Shanghai is the largest consumer of coal, its monthly consumption exceeding 700,000 tons. Indo-China produces anthracite coal. Some provinces of China also produce that type. And yet all the countries require some coal from abroad. Next to Shanghai the great coal-consuming ports are Singapore, Hongkong, Tientsin, Dairen, Manila, Batavia, besides the Japanese ports. They require considerable quantities of coal of various grades. Although most of the varieties produced in the Far East are required for use there, superior varieties are always imported. The approximate annual import of the Far East is about 7,000,000 tons including their own interchange. India, Africa, Australia and U.K. are the main suppliers. Of these, Indian coal is easily saleable, because its quality is good, freights are cheaper from India and fairly good quantities are available. India should therefore be able to export large quantities.

Similarly the use of coke is on the increase. Most of the coke imported is from India and U.K. The import of coke does not exceed 25,000 tons a year.

However, greater quantities of coal and coke would now be required for the use of the Far East. It should be noted in this connection that Japan, with its industries in poor form, can now spare a good portion of her coal for

the use of the Far East, if her industries are not developed on a large scale immediately.

IX. SOAPS: Soaps of all description, including washing soaps have an extensive market in the Far East. Even the coolies and domestic servants use soap, both toilet and washing soap. They have not been using any alternative means at present even in the villages, and this use is likely to increase day by day.

X. TOILETRIES: There is a good potential market for these; but it requires to be developed with patience and persistence. Containers and packing of high grade will facilitate sales.

XI. FATS & OILS: Cocoanut oil is specially required in China, Manchuria, Korea and Japan for the manufacture of soaps etc. Fats are used in various preparations. Lard is also extensively used. The oil commonly used in cooking is groundnut oil. But the Far East requires all the fats and oils in appreciable quantities for various purposes.

XII. VEGETABLE GHEE: This will have extensive sales in the Far East. Its use is increasing, specially amongst the higher classes of society as an alternative to margarine and lard. This has a great future.

XIII. PAINTS, COLOURS AND DYES: These can be sold in almost unlimited quantities. Germany had been the main supplier in pre-war times.

XIV. CROCKERY AND HOUSE FITTINGS: The talk of supplying this may appear rather strange as China has been discoverer of pottery and glass. But modern types of potteryware and cockeryware are mainly manufactured in Japan. If Japan does not rally round quickly and place herself in a position to supply these goods, there

would be a void created in this line. This has to be filled up.

Besides, earthenware house-fittings like wash-stand, basins, bath-tubs, lavatory pans, earthenware pipes for plumber's use, fancy tiles will have great demand in the Far East. Most modern houses are equipped with all these fittings; this is particularly true in large cities. All products of Ceramic Industry will therefore find a ready market in the Far East.

XV. CISTERNS & FLUSH EQUIPMENTS: The above remarks apply also to types of lavatory equipment, both earthenware and iron. There will be increasing demand for these.

XVI. HARDWARE & MACHINERY: Almost anything in this line will be saleable.

Of course, India cannot be said to be a machinery-producing country, as India herself needs to import machinery from abroad. But during the war, India has made considerable progress in this direction. A large number of foundries, iron works, metal works have come into existence and the old ones have developed tremendously, with the result that a lot of their products would remain surplus. During wartimes, they might have been manufacturing spare parts, tools and machinery mainly for war puposes. But now they may have either to switch on to peace-time production or close down. Most of them would no doubt prefer the first alternative, and therefore there will be a considerable quantity of surplus products for civilian use. Machinery parts and tools will be in great demand, apart from the machinery itself. And India which has made great development in this direction, will be in a position to supply.

XVII. LEATHER, SKINS & HIDES: This has a great demand. In the Far East very few people go bare-footed. Even the village women have some sort of shoes when they go about, at least wooden shoes with a leather band on the top. They also use money purses, small bags, and attache cases in large number. The Chinese are known as perfect shoe-makers. This skill is acquired by their constant association with this industry on a large scale. Apart from this leather is used for saddles, motor car seats, rickshaws, household sofa sets, and for a large number of other items. These goods (leather, skins and hides) will therefore find a large sale in the Far East.

XVIII. COIR AND ITS MANUFACTURES: Although Philippines and Indonesia produce coir, the supplies are not sufficient. India therefore can export these on a large scale, especially to China and Japan.

XIX. PROVISIONS & TINNED FRUITS: The use of tinned provision and tinned fruits is fast increasing, and these can be sold in any quantities.

XX. CHEMICALS AND MEDICINES: These will find the largest sale in the Far East. India is known in those parts as the producer of wonderful medicines. Indian herbs and roots are still imported there from which the people make their own medicines. But the writer was the first to introduce Indian patent medicines in China and other northern regions. So far, Germany, Britain, America and Japan had been the chief suppliers.

Thus "Amrutanjan" balm and allied products were introduced by the writer in about 1932. The products of Bengal Chemicals & Pharmaceutical Works were introduced in 1937-38; those of Smith, Stanistreet & Co. of Calcutta were introduced in 1938, along with several others. Although Indian herbs and roots are well-known

in the Far East, Indian patent medicines were not known in the northern parts of the Far East. It was therefore an uphill task for the writer to popularise them. There was also a curious prejudice against Indian manufactured medicines although Indian herbs and roots were in demand. The people there compared Indian patent medicines with those from Europe and America, and took it for granted that Indian medicines were inferior. They thought Indian patent medicines were not so scientifically produced. Persistent efforts were required on the part of the writer to stir the people from apathy into enthusiasm for Indian goods. But the future holds better prospects if Indian makes can be equal to the standard of get-up and packing of the foreign products.

Now that the supplies of these medicines from Japan and Europe will be substantially reduced, Indian manufacturers should take the earliest opportunity to push their products in those markets.

XXI. AMPOULES, COTTON WOOL & LABORATORY EQUIPMENTS: Large quantities of ampoules—rather enormous in quantities—would be required for the use of the physicians. These and allied articles will have extensive market, and there will be no dearth of buyers. This is the most opportune time, as at present several such items from Europe and America will not be available there.

Cotton wool for medical purposes and surgical bandages will be in great demand. Therewith, laboratory equipments made of glass will be easily saleable. Several Indian Glass Manufacturers have made remarkable advance in this line, and they can sell their products in the Far Eastern markets.

These lines in particular have a great future in the Far East.

XXII. WOOD & TIMBER: Practically the whole of the Far East depends on Australian and Siamese timber. But owing to large scale destruction, especially in China, as a result of the scorched earth policy, reconstruction would require a huge quantity of wood and timber. In Canton alone, more than 15,000 houses were destroyed and an equal number or perhaps more in Changsha in Hunan. The same is the case with Shanghai, China's most important Metropolis with 3,500,000 inhabitants. Japan's problem will be the same. Australia and New Zealand alone will not be able to supply the required quantity. Besides, Australia may have to supply large quantities to England where also this problem of rebuilding houses has become acute. Thus Bulsar, Malabar and Burma teak will find an eager market in the Far East.

In this connection, however, the writer may make one suggestion. That is, that instead of despatching logs or sawn timber, prepared pieces such as windows, doors, beams, pillars, planks of various sizes should be despatched. Even pre-fabricated houses can be sold there. Engineers may be deputed to study the question of sizes, and prepared timber of those sizes should be exported. Enterprising firms of engineering contractors can even undertake to build houses of uniform sizes in certain localities on contract basis. This will provide additional income for our skilled and technical men. The Chinese and the Japanese are good carpenters, and if any Indian contractor can make common cause with them they will have a vast field opened out for them. Railway sleepers will also be required.

XXIII. APPARELS, ETC: Various kinds of ready-made clothes will find ready sales in the Far East in very large quantities.

European style shirts, suits and even children's and ladies' frocks are getting popular. Panties and underwear are universally used. Hosiery articles, though extensively manufactured in the Far East, will still have large sales. Woollen shawls which are so common in Bengal, would be an innovation there, and will have ready market in the northern regions of the Far East which are cold. Bedsheets, towels, pillow covers, napkins, and such other items will be extensively sold.

XXIV. MANURES: Manures like bonemeal, and even saltpetre are popular. Most of the people in that area, especially the Chinese, use manures extensively for their farms. Large quantities are imported every year. India will have a large market for such products.

XXV. WAX, GUMS, SHELLAC: These Indian products are already sold and development is possible.

XXVI. PIG IRON & RAILS: Reconstruction in the Far East will commence mainly with the railways. A large quantity of rails will be required. Pig iron will be needed for railway foundries. Apart from this, pig iron will be required in large quantities for engineering works which will now come into existence there.

XXVII. MOTOR CARS: The Far East would afford a great field for India's newest industry—the motor car manufacture. As soon as it is confirmed that the cars built in India are of European or American standard, they will be sold in the Far East in any numbers.

XXVIII. NEWARS, PATTIES, TAPES, Etc : People in the Far East do not sleep on floor. They use wooden bedsteads or cots with wooden planks or newars.

So, barring street-sleepers, every householder, even the poorest, has a bedstead of some sort. The use of newars therefore is universal.

Tapes are used in all walks of life. And if further development is made in lace-making, good market may be expected.

Patties will be required for armies, especially in China.

XXIX. CEMENT & ROAD MATERIALS: Almost all new construction whether residential buildings or factory workshops and sheds, would require cement in large quantities. Leaving Japan and Manchuria, there are not many cement works in the Far East. There are a few in China, Formosa and Philippines and a very small number in other countries of the Far East. But all these would not be able to meet the local demand, considering the very large quantities of cement needed.

Similarly, all roads are being either asphalted, macadamized or constructed of cement concrete. These would require cement, tar, etc. India has got surplus of these and is also in a position to increase her production. She can therefore supply these to the Far East in whatever quantities needed.

XXX. CINE FILMS, EQUIPMENT, ETC.: This may appear strange as most of the equipments and films are imported into India from foreign countries, mainly America, and nothing is exported from India. But of all the Eastern countries, India alone has made tremendous strides in the Cinema Industry.

During the wartimes, many attempts were made in India to produce a lot of cine material. The author knows that Film-paper is being processed in India, and a comparatively unknown artist has been producing this paper

which can be sold only at about one-fourth of the cost of the foreign import in normal times. Similarly, small cameras are being produced in India, and development in this line is possible. A number of other equipments are being manufactured which can find ready sale in the Far East. These can be exported there.

Besides these, India's advance in the line of processing and printing of films is remarkable. The author has not come across any first-rate Laboratory as seen in Bombay, like for instance, the Central Studio or the Cine-Laboratory. Such first-class Laboratories may secure a lot of work from the Far Eastern countries if our Laboratory-Proprietors are enterprising enough. The shooting may be done in those countries, and such films can be flown to India for processing and printing, and re-flown to the Far East. In the post-war times, great aerial development is bound to be the feature, and all this quick transportation is therefore possible. None of the Far Eastern countries are beyond two days' air journey, even Japan, while most of them can be reached in one day. And if further development has to be made, Indian Laboratory-owners can establish their own Branch Laboratories in Bangkok, Saigon, Singapore, Batavia, Manila, Hongkong, Shanghai, Mukden, Kobe, Yokohama and Tokyo.

As to Indian films themselves, the field is rather narrow at present, owing to the difficulty of language. Of course, Indian films are common in Malaya where there is a large Indian population. At other places also, as for instance, in Bangkok and Hongkong, Indian films are shown only to Indian audience. But excepting in Malaya, no theatres are available for evening shows of Indian pictures and their continuous weekly runs, because such

theatres are engaged for either local films or American films. The theatre-owners or exhibitors are unwilling to take the risk of running Indian films on percentage basis. If they at all agree to hire the theatre for Indian films for evening shows, they ask for full rent for each night which covers their own profits as well as those of the American or local producer whose film may have been displaced by the Indian film on those evenings. In this way, the rent becomes prohibitive. Further, the theatre-owners are unwilling to break their connections with American producers or distributors, who are their main suppliers of films, for fear of losing their patronage. Thus, it is so difficult to get a theatre for exhibiting Indian films for evening runs.

The only choice left is a Sunday morning show of Indian films.

This problem has to be tackled by Indian producers if they want the industry to develop. Indian producers must not remain content with the Indian market only. They must think also of foreign markets. The medium of the English language is no bar to the popularity of films in that language. Why then should the use of the Hindi-language in films be any bar to their popularity abroad. In the Middle East, where people do not generally understand Indian languages, Indian films are popular. There is no reason why the same should not be in the Far Eastern countries: In these countries, 98% of the people do not understand English, and as regards the audience the same percentage of non-English speaking people is noticeable. Consequently, if efforts are made to popularise Indian films by giving sub-titles, as is done by English-language producers, Indian films can ultimately find markets abroad.

The Cinema Industry—the youngest and the most promising Industry of India—has a great educative and propaganda value. It will carry the message of India to distant parts as nothing else can do. Where the language will fail, the picture will tell the story, just as where books cannot be read, the illustrations in pictures are an aid to the theme. Sending abroad carefully selected and representative pictures as will give a proper idea of Indian civilization, culture, commerce, industry, etc. will benefit India considerably in various ways. This field should not be neglected. If necessary, pictures should be produced in the English language. It is therefore essential from the point of view of our national life, national interests and national prosperity that further advancement is achieved in this line.

But why remain content only with exporting Indian-films abroad? Why not be more enterprising? Why crowd the Indian field only? Our producers can venture to go abroad, establish their studios there, engage local actors, local story-writers and directors and produce films of the lives and culture of the peoples there and exhibit locally in those countries. Countries like Thailand (Siam), Indo-China, Malaya, Java, Sumatra, Philippines and even China and Japan afford vast scope for this venture. And the enterprise will pay. This is a good time to make a beginning. Further development may be made in the direction of exhibiting in India these films of the Far Eastern or other foreign life.

I have great faith in the development of the Indian Cinema Industry. And despite its many faults and shortcomings, it can be said without fear of contradiction that no other country of the world except America and Britain and perhaps France and Germany, has made such extra-

ordinary advance in this line as India has done in the matter of films produced, studios established and themes tackled. It is a lucrative business, and Indian producers should have all the sympathy and co-operation of the Indian people in their attempts to popularise Indian films in India and abroad.

XXXI. GLASS AND GLASSWARE: Japan has been the main supplier so far. India can now partly meet the demand.

XXXII. RUBBER TYRES & RUBBER GOODS: One of the most remarkable features of the industrial development of India is the rapid progress made during war times in the manufacture of rubber goods.

At present almost everything in the line of rubber is manufactured in India. Motor and cycle tyres, Victoria (bugee) tyres, industrial rubber goods, tubings of all sorts, surgical rubber goods, mattings, rubber shoes, and almost everything else in the line is produced in India at present. Further development is assured. All these goods will find a ready sale in the Far East, despite the fact that large rubber shoe factories are found in China and Japan. But most of these factories in China and Japan used to manufacture mainly rubber shoes. India's advance, however, has been so surprising in such a short time that vast development is possible in the near future. The Far East will provide the best market. And what is more, India can buy raw rubber from Malaya, Indonesia, Thailand and Indo-China and sell piecegoods in exchange in any quantities.

This Rubber Industry of India therefore needs special attention.

XXXIII. STATIONERY: A large number of

goods of this line made in India can be exported as also paper.

The above are only some of the principal Indian products which can find ready sale and extensive market in the Far East. But a large number of other products too can be introduced there. A number of people will find employment both at home and in the Far East, and the Indian problem of unemployment will be materially solved. The disbanded soldiers and sailors will also find employment.

II. SERVICES: "THREE VEINS"

But another important effect of this increase of trade with the Far East will be the great stimulus given to the "Three Veins of Commerce"—Banking, Shipping and Insurance.

Along with the trade to the Far East, Indian banks, Indian shipping companies and Indian insurance companies will have extensive field for operation. At present only one Indian Insurance Company, has been operating throughout the Far East in Fire and Marine business, but that also on a limited scale. Two or three Life Offices have been doing some Life Business there on a small scale. But no Indian bank or shipping company has any branches or agencies there. Here is a chance for new shipping companies to come into existence. The Far East offers very wide scope for all of them. There is a chance for the existing institutions to develop their business on that side, and for the new ones to form for operating in those regions.

The Far East trade will open up vistas for Indian enterprise in various fields of economic activity. It is hoped that Indians will not lose the present opportunity.

III. GENERAL STATEMENT

This opportunity to reunite ourselves with our own kith and kin, even if it be in the economic field at present, is afforded by the fact that some of the countries which had been the principal suppliers in pre-war times have dropped, more or less completely, out of the field. The principal seceders are Japan and Germany, and also Great Britain to some extent. The U.S.A. alone will not be able to meet the demand even to the extent of pre-war level, as the whole world would make demands on U.S.A. for supplies of various sorts. Of course, Russia will come to the rescue of the Far East in some measure. But she will also take some time, because, Russia has first to attend to the rehabilitation of Russian areas destroyed by three years of war. Then, the factories have to be converted for peace-time production. And one does not know whether Russia is or is not preparing for any other eventuality. The world prognostications are ominous, and we do not think that Russia is wholly on peace-time basis yet. It is more likely that she will keep herself in a state of preparedness to meet any eventuality so as not to be caught unawares as before. The Russian attitude at the Paris Conference in September and October, 1945 was not quite reassuring or indicative of peaceful intentions, and it has caused concern in London and Washington as well as in other world capitals. Besides, one is not sure of the internal situation in Russia. Russia, therefore, cannot be counted upon as an efficient substitute for Germany and Japan as a supplier of goods to the Far East.

In pre-war days, the shares of Japan, Germany, U.K., U.S.A., and India in the Far East trade were as below:—

Country	Each of the Country's share in the Imports into the Far East from that country.	Each of the Country's share in the Exports from the Far East to that country.
Japan	12.6 per cent	6 per cent
U. S. A.	10.6 „ „	24 „ „
U. K.	8 „ „	9 „ „
Germany	5 „ „	8 „ „
India	8.8 „ „	8.2 „ „

Thus, roughly speaking, the following percentages will practically drop out from the list of imports into the Far East:—

Country	Percentage of drop.
Japan	12.6
Germany	5
U. K. (about 50% the total imports	4
Total	21.6

Thus, a total of about 21 per cent or one-fifth of the total annual import trade of the Far East per year has to be made up by supplies from other sources. In terms of money, this represents about £105,000,000 (or Rupees 140 crores), the total import trade of the Far East being about £500,000,000 per year as seen before. The Far East, therefore, must find other sources to make up for this deficit of about 140 crores of rupees of imports. Quantities of goods worth Rupees 140 crores will be needed just to make up for the normal requirements of the Far East. But, it is a developing market and more goods

would be necessary for various purposes than just to make up the above deficit. And any new article can expect to have sales there. Germany had been supplying mostly machinery, patent medicines, ampoules and electric equipments for laboratory, colours and dyes; while Japan supplied mainly cotton textiles, crockery, toys and some types of electric goods. India can supply a good quantity of some of the colours, dyes and paints which may not be forthcoming from Germany; while almost all the textile products required can be supplied by India, to the same extent as Japan did before. In the matter of crockery-ware, India will not be able to do much. The same remark applies to toys and electric goods. But many other articles can be supplied from India.

Of course, when we say that India can step into the shoes of Japan and Germany in respect of certain goods, we are not approaching the question in a spirit of malicious joy at the predicament of either in consequence of which we have now an opportunity for ourselves. We do not want to take advantage of the misfortune and adversity of other peoples and other nations. We are really sorry for the peoples of those countries, who were misled by their own militarists, imperialists and capitalists. The poor people—the masses—are now the sufferers. We sympathise with their lot and wish their early emancipation from the throes of economic distress. And therefore, when we say that India should step into the gap created by the absence of imports from those countries into the Far East, we have only the economic necessity of the Far East in view. Someone must bear the responsibility which the two countries are no longer—temporarily at least—able to do. And India, being ideally situated, is the obvious and natural successor, at least until such times as those

countries are again able to take their own place in the Far Eastern trade. At the most, therefore, the economic adage "one man's loss is another man's gain" may be said to be playing its role in the Far East. But this is only in the economic field, because necessity in the Far East as elsewhere knows no law. Our sentiments would be with the people of Japan and Germany as with all other fallen peoples, and we earnestly wish the peoples of Japan and Germany regain their rightful status on a humane and brotherly basis in a humane and just world.

In the meantime, to India is given the task of entering the field and keep the Far East supplied with whatever she can spare. India can even produce and supply more. Her industries can be expanded to meet this increased demand on her production, and she can thereby take her rightful place as one of the leading industrial countries of the world. India had been dubbed until recently as a "backward" country. But the war has helped to remove the stigma to some extent. And even the *London Times*, while commenting on the work of the Indian Department of Planning and Development has recently paid a tribute to this development. And what is more, the paper has anticipated a great future for the industrial development of India in the following prophetic words:—

"India may be destined to set an example to the whole of the East... There is a breadth and sweep about the entire conception which need not fear competition even with the vast plans of Soviet Russia... This entails the planned use of all resources at present available to increase the national income through agricultural and industrial development... Underlying all the work for the creation of New India is

a solid foundation of *scientific and industrial research*, in the establishment of which leading British and Indian scientists are cooperating."

And the vast field in the Far East will provide ample opportunities for the industrialists and businessmen of India, just as it will do for reviving age-long cultural contacts between India and the countries of the Far East.

Let India go ahead to her destined goal.

JAYA HIND

Bombay,
December 3, 1945.

APPENDIX A

General Information about the Countries of the Far East

1. FAR-EASTERN SIBERIA

The Far-Eastern Siberia forms a part of U.S.S.R.

This region consists mainly of the Chita Region, the Khabarovsk and Maritime Territories.

The Khabarovsk Territory consists of the Jewish Autonomous Region, and the Regions of the Amur, the Lower Amur, the Sakhalin and the Kamchatka. Its capital city is Khabarovsk.

The Maritime Territory consists of the Ussurisk. Its capital city is Vladivostok. The capital of the Chita Region is Chita.

Total area is about 1,081,000 square miles and population is about 4,500,000 (1940). The language is the Russian with local dialects.

The currency is Russian Gold Rouble. It is based on the French Franc at the rate of 3 gold francs per Rouble, or 24.89 Roubles equal to £1. In 1937 (a normal year) the actual average rates of Exchange were calculated at:-

£	1	|	24 7½ Roubles (Gold)
US\$	1	|	5 4 " "
Francs	100	|	23.63 " "

The Rouble kept up its value practically at this level till Russia entered the war in June, 1941.

Communication of this Region with foreign ports is maintained mainly by Russian steamers. The chief ports are: Vladivostok, Nikolaevsk, Okhotsk, Gizhiga on the Siberian coast; on the Kamchatka Coast are: Petropavlovsk, Ust Bolsheretsk, Kolpakovo and Verkhne-Kamchatsk.

2. KOREA

Korea was up to August 15, 1945 a part of the Japanese Empire. But since that date, it has resumed its former status of an independent kingdom.

Its area is about 88,000 square miles and population is about 25,000,000. The capital city is Keijo (former Seoul). The language is Korean with Japanese. The Korean language is an admixture of Mongolo-Tartar and Japanese with numerous Chinese words.

The standard of currency so far has been the Japanese Yen. But now the Korean Government might adopt its own Yuan or Dollar.

Communications are maintained mainly by the Japanese steamers. Steamships registered in Korea had a tonnage of 91,100 tons (in 1938) the number of steamships being 568. There were also 1,065 sea-going sailing ships of 40,408 tons. The principal ports are: Keijo, Jinsen (Chemulpo), Fusan, Chinnampo and Heijo.

3. JAPAN

Japan is a Constitutional Monarchy in a limited form.

The former Japanese Empire consisted of the following Regions with their areas and population as given below with the exception of Korea:

Territory.	Area in Sq. Miles.	Population in 1935.
Japan (Proper	..	..
Honsu Is	230,532	..
Shikoku	18,772	..
Kyushu	42,078	..
Hokaido	88,775	..
Ryukyu	2,386	..
Taiwan (Formosa) ..	13,840	5,212,426
Bokoto (Pescadores) ..	49	20,000
Karafuto (Sakhalin) ..	13,934	313,943
Kwantung Leased Territory & S.	..	..
M. R. Zone ..	1,454	1,656,726
South Sea Mandated Islands ..	829	102,537
	177,717	76,559,780

Thus the total area of the former Japanese Empire without Korea was 177,717 sq. miles, while the population was 76,557,780. But now the Japanese Islands proper alone have to be taken into consideration, as Japan will more probably, be now divested of her former territory outside Japan Proper, excepting perhaps the Bokoto (Pescadores) Islands. The question of Formosa, however, will be mooted. This was a Chinese Territory before 1895 when it was ceded to Japan as a result of the Sino-Japanese War of 1894-95.

The language is the Japanese, spoken and written, without any dialects. The capital city is Tokyo. The standard of currency is Yen. The value of Yen at the time when Japan entered War in December 1941 was about 1s 2d or about 17 Yen equal to £1. In Indian Rupee currency one rupee is equal to about 1.25 yens. In November 1941, Rs. 81-8 were equal to 100 yens.

Communications: There are five principal ports of Japan: Yokohama, Kobe, Nagasaki, Osaka and Moji. Japanese ports are visited by all steamships operating in the Pacific area, such as the British, American, French, Dutch, Italian, German, besides Japan's own ships. The Japanese mercantile marine tonnage before Japan entered the Pacific War in December 1941 was about 6,000,000. The number of steamers was about 2,500.

4. CHINA

China has been a Republic since October 10, 1911.

The Chinese Republic consists of the following territories with area and population as given below:—

Territory.	Area in Sq. Miles.	Population in 1000's.
China (including Inner Mongolia)	2,845,740	416,500
Manchuria	496,253	28,000
Outer Mongolia	622,744	1,800
Tibet	340,419	3,700
Total ..	4,314,156	450,000

Thus the total area including Outer Mongolia is 4,314,156 sq. miles. The population is about 450,000,000. The written language is Chinese in China proper, with dialects in spoken language only. The peoples in Manchuria, Mongolia and Tibet speak their own languages. Permanent capital is Nanking while the wartime capital has been Chunking. Capital of Tibet is Lhasa; that of Outer Mongolia is Ulan Bator Hoto; of inner Mongolia, Kalgan; and of Manchuria, Mukden (Hsinking).

The standard of currency is Chinese Dollar called Yuan (Y\$). Its value was fixed (in November 1935) at 1s. 2³⁷/₁₀₀d. equal to one Chinese Dollar on the managed currency basis. Of course during the war the Yuan had slumped considerably. In the Rupee currency in normal times one rupee is equal to about Y\$ 1.20. But in July 1941 Rs. 19-4-0 were equal to Y\$100 (that is when the Yuan had slumped considerably).

Communications with China are maintained by all the Shipping Lines operating in the Pacific area, such as the British, American, French, Dutch, Norwegian, Japanese, Italian, Portuguese and German, besides China's own ships. On June 30, 1939 China had 178 steam vessels of an aggregate gross tonnage of 258,432. The principal ports are: Dairen, Tientsin, Chefoo, Chinwangtao, Weiheiwei, Tsingtao, Shanghai, Foochow, Amoy, Swatow, Canton, Kowloon (Hongkong), Pakhoi, Hoihow (Hainan Island) and Macao.

5. INDO-CHINA

Indo-China is a French Colony ruled by a Governor General sent from France. Independence movement is however strong, and the people of Indo-China, it is hoped, will attain their independence very soon.

Indo-China Government consists of Cochin-China, Annam, Cambodia, Laos, Tonking and Kwang-Chau-Wan (the Leased Territory on the Southern China Coast).

The total area is about 281,174 sq. miles and the population is about 25,000,000. The capital city is Saigon. Lan-

guage is the Annamese. The area and population of individual states comprising Indo-China is as below:

Territory.	Area in Sq. Miles.	Population.
Cochin-China	26,476	5,00,0000
Annam	56,973	6,250,000
Cambodia	67,550	3,250,000
Tonking	40,530	9,150,000
Laos	89,320	1,100,000
Kwang-Chau-Wan ..	325	25,000

The standard of currency is Piastre (P) which is stabilised at 1 Piastre = 10 francs, (French Paper) = 1s. 1½d. (approximately). One Rupee will be equal to about P.1.28. In July, 1941, Rs. 79 were equal to P. 100.

Communications are maintained by Messageris Maritimes, Chargeurs-Reunis, K.P.M., Chinese, Japanese, British Norwegian and Siamese steamers. Usually, the communication with Indo-China is maintained by steamers from Singapore and Hongkong where the larger steamers call. The ports of call are: Saigaon, Haiphong, Tourane, Cholon, Kep and Ream. Chief Port of Kwang-Chau-Wan is Port Beaumont.

6. THAILAND (SIAM)

Thailand is an independent Kingdom.

Its area is about 200,000 sq. miles and the population is about 15,000,000. The capital city is Bangkok and the language is the Siamese. The standard of currency is Baht or Tical (B or T). Exchange value is 11 Ticals to £1. In Rupee currency, Rs. 1-3-6 = One Tical. But in 1941 when Japan had practically occupied Thailand. Tical had slumped, and just before the Pacific War started in December, 1941, Rs. 55-8-0 were equal to T. 100.

The Siamese Government owns about 15 vessels with a total tonnage of about 10,000 tons. Communication is maintained also by other steamers of British, French, Japanese, Chinese, Dutch and Norwegian flags. But

usually the connections are from Singapore and Hong-kong. There are also railway connections with Malaya and Indo-China. Chief Port of call for foreign steamers is Bangkok, although there are other numerous good ports.

7. MALAYA

A portion of Malaya forms part of Thailand, while the major portion is what is called "British Malaya". The former is included in details about Thailand.

The area of British Malaya is about 56,086 sq. miles with a population of about 5,250,000. The details are as below:

Territory.	Area in Sq. Miles	Population in 1000's	Capital City
Straits Settlements ..	1,356	1,250	Singapore
Federated Malay States :	27,640	2,182	
Perak	7,980	960	Ipoh
Selangor	3,260	678	Kuala Lumpur
Negri Sembilan ..	2,580	282	Peramban
Pahang	13,820	402	Kuala Lipis (Seat of the Sultan is Pekahn).
Unfederated Malay States:	27,090	1,868	
Johore	7,330	760	Johore.
Kedah	8,060	470	Alor Star
Perlis	310	51	Kangar (Sultan's Seat is Aran)
Kelantan	5,730	386	Kota Baru
Trengganu	5,060	198	Kuala Trenga
Grand Total ..	56,086	5,250	(that is 5,250,000)

The language is the Malay; but the Chinese, the Hindustani, the Tamil and the English are common. The capital of the British Malaya is Singapore. The standard currency is the Straits Dollar (S\$) which is stabilised at 2s. 4d. One S\$=Rs. 1-8-10 (Rs. 1.58). In November 1941, Rs. 100 were equal to about S\$ 63.85.

Shipping communication with Malayan ports is maintained by all the Shipping Lines entering the Pacific areas from the west as well as by a number of lines which enter

India and the Middle East from the Pacific. The regular liners visiting Malaya are practically of all nationalities. The principal ports of call are: Singapore, Penang, Malacca, Port Dickson, Port Sweetenham, Teluk Anson and Port Weld.

8. INDONESIA

Indonesia, until recently known as Dutch (Netherlands) East Indies gradually came under the domination of the Dutch since the 17th century. The Indonesians, however, have now declared independence and established National Government headed by Dr. Abdul Rehman Soekarno as President and Dr. Mohmud Hatta as Vice-President.

The area and population of the various component units are as below:

Territory.	Area in Sq. Miles	Population in 1000's	Capital
Java and Madura	51,032	11,718	Batavia
Sumatra (including islands off the coast)	164,147	8,254	Palembung
Borneo	208,285	2,169	Banjarnasin
Celebes (including islands off the coast)	72,986	4,232	Makassar
Bali and Lombok	3,973	1,803	Bali
Timor (with Dependencies)	24,419	1,057	Dili.
Moluccas (including New Guinea)	191,681	804	Ambonia and Ternate
Other Eastern Islands ..	18,711	8,586	
	735,204	69,313	

Thus the population in 1930 was about 69,313,000. But it has increased since 1930, specially in Java and Madura, and the estimated population in 1940 was 70,476,000 (perhaps more) distributed as below:

Java and Madura	48,416,000
Other outer Provinces ..	22,060,000
Total Population ..	70,476,000^o (in 1940)

The capital of Indonesia is Batavia. The language is the Javanese. The standard of currency is Guilder. In 1940, the exchange with Pound Sterling was G. 7.41=£1. In November 1941, it was G 7.58=£1. One Guilder (G)= about Rs. 1.10-6. (Rs. 100=G 60.62).

Shipping communication was maintained by K.P.M. line as well as by the British, French, German, Japanese, Norwegian, and American Lines. The principal ports are. Batavia, Soerabaya, Palembang, Makassar, Ambonia, Samarinda, Balikpapan, Banjarmasin, Bali and others.

9. THE PHILIPPINES COMMONWEALTH

The Philippines Islands, formerly a dependency of the United States, became an independent Commonwealth on November 15, 1935.

The total number of islands forming the Commonwealth is 7,083. The total area is about 114,000 sq. miles with a population of about 14,000,000. The areas of eleven fairly large size islands are as below:

Islands.	Area.	Islands.	Area.
Luzon	40,184	Mindoro	3,794
Mindanao	36,906	Leyte	2,799
Samar	5,124	Cebu	1,695
Negros	4,095	Bohol	1,534
Palawan	4,500	Masbate	1,255
Panay	4,448		

The official language is Tagalog with English. The capital is Manila. The standard of currency is Peso (P) which is equal to 50 cents of the U.S.A. Dollars. About 8.00 Pesos would be equal to £1. In Indian Currency Rs 1.58 (or about One Rupee and ten and a half annas) is equal to one Peso. Rs. 100=P. 61.

Shipping communication was mainly maintained by American, British, Japanese, Danish, German, Dutch, Norwegian and Australian lines. The coastwise trade is carried on exclusively by the domestic vessels.

10. BRITISH NORTH BORNEO

This is a British Colonial territory administered by the British North Borneo Company through a Governor.

The area is about 29,500 sq. miles, with a population of about 270,223 (1931). This must have been increased in 1941 to about 3,000,000 at least. The capital is Sandakan. The language is mainly the Malay. The standard of currency is Borneo Dollar which is equal to 2s. 4d., the same as the Straits Dollar. (See Malaya for Rupee Exchange).

The chief products are: rubber, timber, copra and cocoanuts, dried and salted fish, cutch, tobacco, manilla hemp, sago, rice damar and rattan. Mineral resources are: coal, gold, petroleum, copper, iron, managenese and tin. But most of these except coal are not worked so far on commercial basis. Principal exports are:

Product	Value in 1938 £	Value in 1939 £
Tobacco	.. 53,573	33,747
Rubber	.. 552,732	639,502
Timber	.. 251,004	281,203

Shipping connection was maintained with Hongkong and Singapore by British, Japanese and Dutch lines. Chief Ports are: Sandakan and Jesselton.

11. BRUNEI

Brunei is a State in Borneo ruled by the Sultans under British protection since 1888. Since 1906, the general administration is entrusted to a British Resident. The supreme authority is vested in the Sultan in Council of nine members of which the Sultan is President and the Resident is one of the members.

The area is about 2,226 sq. miles and population was about 30,135 (in 1931). The capital is Brunei.

The language is mainly the Malay. Education is free. The standard of currency is Straits Settlement Dollar (2s. 4d.). The Rupee Exchange is also the same as that of Straits Dollar.

Shipping communication is kept mainly by Straits Steamship Company's vessels. The chief port is Labuan.

Principal products are: crude oil, cutch (mangrove extract), rubber, jelutong, sago and timber. Imports in 1939 were about £379,373 in value, of which tobacco was £12,541, piecegoods about £9,505, machinery £39,208. Exports were about £916,869 consisting mainly of cutch 700 tons valued at £7,340; rubber 1,285 tons (value £107,998); crude oil 776,027 tons (value £764,935); natural gas 1,181,891 cubic feet (£19,593).

12. SARAWAK

Sarawak in Borneo is under an English Raja of the Brooke family under British protection.

The area of the State is about 50,000 sq. miles with a population of about 490,585. The language is the Malay. The capital is Kuching. The standard of currency is the Straits Dollar and the Rupee Exchange is the same as the Straits Dollar.

Shipping communication is maintained with Hongkong and Singapore by British, Japanese and Dutch lines.

In 1939, the exports totalled about S\$ 34,379,000 in value, while imports were about S\$26,173,420. The chief imports and exports were as below:

Imports		Exports	
Article.	Value in 1000's Straits Dollars	Article.	Value in 1000's Straits Dollars
Crude Oil	0,524	Rubber	15,384
Rice	2,381	Liquid fuel	5,644
Iron and Steel and manufactures	2,494	Gold	1,141
Tobacco	1,563	Benzine	3,871
Cloth, Cotton	1,104	Sago flour	1,372
Machinery	688	Kerosene	1,189
Sugar	854	White Pepper	693
Kerosene	515		

All these countries of the Far East are also connected by Air with Europe, Africa, America, Australia and other Asiatic countries.

APPENDIX B

(For the information of our Far Eastern friends, a few details of general information about India, Burma and Ceylon—who from another Economic Unit—are given herebelow).

1. INDIA

India is one of the three countries with ancientmost civilizations, the other two being China and Egypt.

India was the Dreamland of the European adventurers for a long time. From India flowed the springs of culture and civilization everywhere in the world since ancient times. There is perhaps no other country of the world which is so bountifully endowed by Nature in all respects. It is really a Dreamland—a Wonder Land at that, to be visited and to live in. No wonder, therefore, one invader after another took into his head to conquer it time and again. The people are industrious and hospitable, and respond profusely to any kindness shown to them. No one in his or her lifetime should miss to see India even if it be for a short while. The highest mountains, long rivers, remarkable monuments of art, most beautiful temples and pagodas, deep valleys, long canals, green verdures, beautiful birds, varied animals, wonderful vegetation and medicinal herbs of all types, sea surrounding India on three sides, all shades of climates, regular monsoons, fabulous resources of all description, and a variety of other possessions and characteristics make India the most valued country in the world.

It is mainly for this reason also that it has been the misfortune of India to often go under foreign domination, because this most valuable prize has been coveted by every one in the world.

Up to the middle of the 10th century A.D. India was entirely under Indian kings. Very often since ancient

times, India was united into an empire, and in more recent times, that is, since 4th century B.C., Chandragupta Maurya, and his grandson Ashok ruled India as emperors practically of all the "land encircled by sea on all sides". For a time, the empire was broken into principalities after these remarkable emperors. But again, India was moulded into an Empire by Emperor Harsha Vardhan in the 7th century. The period from about 3,000 B.C. to 800 A.D. forms the Classical Age in Indian History. From 10th century onwards, however, India was subjected to inroads and invasions by various wild tribes inhabiting beyond the Khyber Pass in the North-West corner of India, and gradually, Indians lost control of the political power in India. Later, several Mahomedan Kings of the Khilji, Tughalakh and Lodi dynasties ruled at Delhi, but none of them ruled as emperors of India. They ruled only the northern parts of India. It was, however, later when the Mongol (or "Moghul" as the word is known in India), invader, Babar, founded at Delhi the Mongol dynasty in 1526 that the process of welding India into an Empire was renewed. Babar's illustrious grandson, Akbar, achieved the task during his reign from 1556 to 1605 A.D. However, during the life-time of Aurangazeb, Akbar's grandson, the Mahrattas, a sturdy and martial race inhabiting Western India founded an Empire of their own below the Narmada River in the fourth quarter of the seventeenth century. The illustrious founder was Shivaji the Great. The Mahrattas whose empire was supreme in the south, became practically rulers of the whole of India during the second half of the eighteenth century, as they could make and unmake Emperors at Delhi despite the fact that the seat of their own Emperor was at Satara in the South. Their actual conquests extended even up to Central India. In the meantime, the Portuguese, the British, the Dutch and the French came by sea to India as traders. But gradually they established themselves in the country acquiring one territory after another, sometimes by fighting and sometimes by tactics. Finally the Mahratta Empire in the south succumbed to the British in 1848. But the Mongol Empire

continued till 1858 when the whole of India¹ passed under British sovereignty.

Independence movement, however, is very strong. It was in fact begun within 25 years of the break-up of the Mongol Empire. The Indian National Congress was founded in 1885, and within 60 years of its existence the Congress has persistently struggled for a self-governing and independent India. The Congress is now well within the reach of its goal. The present leaders of the national movement are, Mahatma Mohandas Karamchand Gandhi, Pandit Jawaharlal Nehru, Veer Vinayakrao Savarkar, Maulana Abul Kalam Azad and Dr. Shyama Prasad Mookherjee. It is expected that within a very short period India would be an entirely free country. The British policy is also sympathetically directed towards that end.

The total area of India is 1,808,670 sq. miles, almost the same as China Proper without Manchuria, Mongolia and Tibet. The total population in 1941 was about 389,000,000. The most important provinces of India from the point of view of foreign trade are the maritime provinces of Bombay, Bengal, Madras and Sind, with their capitals of Bombay, Calcutta, Madras and Karachi respectively which are also the most important ports of India. Other important ports of call for foreign steamers are: Okha, Bedi, Cochin, Vizagapatam, Coconada and Chittagong.

The Central Government, called the Government of India, with the capital at New Delhi, consists of the Viceroy and the Governor-General, and his Executive Council, the Legislative Assembly and the Council of State. But the Executive is not responsible to the Legislature, and the Governor-General can veto any legislation passed by the Assembly. The Provinces were given a more or less autonomous status in purely provincial matters by the Act of 1935 with the Executive responsible to the elected Legislature. But with the reservation of the Veto power by the Governor who is usually British, the autonomy partly loses its importance and effect. It was only quite recently that an Indian member of the I.C.S. (Indian Civil Service) is

appointed as a Governor of one Province out of eleven Provinces of British India.

Indian India consists of about 700 Indian States under British protection. Of these, Kolhapur, Hyderabad, Mysore, Baroda, Gwalior, Kashmere, Bikaner, Indore, Bhopal, Jaipur, Jodhpur, Udaipur, Patiala, Travancore, Cochin, Bhawalpur, Rajpipla, Cooch Bihar, Alwar, Nawanagar, Sirohi, Jaisalmer, Bharatpur, Rewa, Ratlam, Kapurthala, Benares, Bhavnagar, Morvi, Junagad, Rajkot, Gondal, Cutch, Porebundar, Kotah, Dewas, Jhalwar, Dhrangadhra, Pudukkottai, Nandgaon, Rampur, Manipur, Tripura, are amongst the bigger and more prominent states.

PRODUCTION, EXPORTS AND IMPORTS

India produces a vast number and variety of articles, and her resources in minerals, agriculture, forest as well as marine are almost fabulous. However India has no large resources of oil and tin which some of the Far Eastern countries produce in abundance. This provides an ideal exchange of goods between India and the Far Eastern countries, because the latter produce exactly what India wants. And India can supply to those countries several products like cotton and cotton piecegoods which those countries do not produce or manufacture in sufficient quantities. Let us therefore briefly state in figures the position of India in the matter of production, exports and imports in normal years:

Agricultural Production

Article	1935-36	1936-37	1937-38
Rice tons	28,211,000	33,197,000	26,702,000
Wheat "	9,431,000	9,818,000	10,764,000
Sugarcane "	5,931,000	6,726,000	5,403,000
Tea lbs.	364,429,100	395,180,400	430,250,000
Cotton bales	5,918,000	6,261,000	5,544,000
Jute "	7,215,000	9,611,000	8,656,000
Linseed tons	388,000	418,000	468,000
Rape and Must- ard "	957,000	976,000	1,021,000
Sesamum tons	463,000	484,000	465,000
Castor seed "	121,000	128,000	164,000

Article	1935-36	1936-37	1937-38
Groundnut	2,258,000	2,808,000	3,501,000
Coffee .. lbs.	41,172,000	Not Known	33,516,000
Rubber .. lbs.	48,545,000	60,063,000*	32,297,000

N.B.—Yield of tea and coffee is in pounds (weight); of cotton and jute in bales of lbs 400; of cotton piecegoods and rubber in pounds.

The above figures are only of more important products. The other production is as below (in 1937-38):

Article	Quantity
Maize tons	1,997,000
Barley "	2,813,000
Indigo cwts.	7,200 dye
Tobacco tons	544,000

Mineral Production (Normal Year)

Article	Quantity	Value in £
Coal tons	25,036,386	5,872,364
Manganese Ore "	1,051,504	3,229,554
Gold Oz.	330,743	2,285,404
Mica cwt.	297,343	1,079,702
Petroleum Gallons	75,057,857	1,030,591
Building Materials tons	7,262,751	729,910
Salt "	1,493,021	612,584
Copper Ore "	371,573	360,280
Iron Ore "	2,870,832	344,840
Ilmenite "	181,047	84,686
Saltpetre cwts.	167,117	84,048
Chromite tons	62,307	62,826
Factory Raw Materials "	47,543	55,070
Clays "	330,007	24,480
Magnesite "	26,166	12,326
Sealite "	13,040	11,671
Barites "	15,689	11,228
Monazite "	3,081	10,544
Gypsum "	46,000	8,913
Fueller's Earth "	7,416	5,640
Bauxite "	15,150	4,650
Diamonds carats	1,178	4,184
Zircons tons	1,329	2,985
Silver Ozs.	24,642	2,432
Tungsten Ore tons	13	1,842
Ochres "	6,586	2,120
Graphites "	558	1,226
Asbestos "	101	458
Felspar "	467	255

Imports	Value Rs.	Exports	Value Rs.
Wheeled vehicles	60,829,851	unrefined) ..	795,716.
Stationery ..	6,470,161	Fodder, Bran & Pollards ..	479,788
Animals, living ..	1,568,822	Coffee	7,915,092
Books, printed, & printed matter	5,869,878		
Earthenware & Porcelain ..	3,567,723		
Boots & Shoes ..	1,085,821		
Umbrellas and Fittings ..	1,720,484		
Grains & Pulse ..	218,054,101		
Coal & Coke ..	263,536		

COMMUNICATIONS

The ocean communication with India is maintained practically by steamers of all the important flags of the world, both from the east as well as from the west. Thus, British, American, Japanese, German, Italian, Portuguese, Norwegian, Dutch and Swedish as well as other European steamers used to visit in the pre-war days. Coastal trade is mainly carried on by British and Indian vessels although foreign steamers are not forbidden to lift inter-port cargo on the coast to and from major ports.

The standard of currency is the Rupee which is stabilised at 1s. 6d. The subsidiary silver coins are 8 annas and 4 annas pieces; nickel coins are 2 annas and 1 anna pieces; and copper coins are one pice and one-pie pieces. The table of the ratio of the subsidiary coins of the Rupee is as given below:

3 pice	= 1 pice
4 pice	= 1 anna
16 annas	= 1 rupee.
13.8 rupees	= 1 pound (sterling £)

The Indian weights are as below:

180 grains	= 1 tola.
5 tolas	= 1 chhatak
16 chhataks	= 1 seer
40 seers	= 1 maund = 82½ lbs.
27½ maunds	= 1 ton (of 2240 lbs.)

Generally, English weights and measures are adopted in India.

2. BURMA

The name "Burma" seems to have been derived from the Sanskrit name "Brahma" or from the tribe name "Mramma", more probably from the latter. The Mrammas appear to be descendants of a Tibeto-Dravidian tribe that migrated and settled in Burma some time before Christ; and ultimately the name of this tribe which attained predominance in the country came to be given to the country. Burma thus is apparently the subsequent conversion of Mramma.

Indians had therefore settled in Burma some time before the Christian era, and the legend is that one Abhiraja, a Buddhist Prince from India, invaded Burma and founded his kingdom there. Eighteen kings of his dynasty ruled in Burma after him till 84 A.D. Then a civil war broke out, and the three constituent tribes, the Pyus, the Kanrans and the Mrammas fought amongst themselves. Ultimately, the Mrammas came out victorious in the struggle. By 11th Century A. D. Indian kings were still ruling in Burma, because King Aniruddha (or Anwratha) ascended the throne in 1010 A.D. King Aniruddha welded whole of Burma into one Empire and extended the boundaries of his empire beyond Burma proper into Yunnan, Assam and western parts of Siam. His son Kyanzittha completed the Shwezigon (Shwedeigon) Pagoda begun by his father and extended the empire in all directions. He was an enthusiastic follower of Buddha and built many Pagodas.

This dynasty ruled Burma for 277 years till 1287 A.D. when Kublai Khan, the Mongol Emperor of China, conquered Burma. His policy led to disintegration, and it was not till the 16th century that Burma was once again united into a single empire by its own nationals. Their rule was ended in 1885 when King Thebaw was defeated by the British. Since then till 1918, Burma had been a British

dependency under a Lieutenant-Governor responsible to the Governor-General and Viceroy of India.

By the Government of India Act of 1918, Burma was also made a semi-autonomous Province like other Indian Provinces, under a Governor responsible to the Governor-General of India, and retained within the Indian Federation. Burmese M.L.A.s used to represent Burma in the Central Legislative Assembly of India. By the Government of India Act of 1935, however, Burma was separated from India, and made into an autonomous State like the Indian Provinces and placed under a Governor responsible to the British Secretary of State for India and Burma. In January, 1942 the Japanese invaded Burma and completely conquered it by March following.

They ruled there for about three years; because by June, 1945 the Japanese were completely ousted and the British rule was again established there. For a time, military administration existed, but from January 1st 1946, civil administration was restored in Burma. The capital city is Rangoon.

The total area of Burma is about 261,610 sq. miles, the total population in 1940 was about 15,000,000 (1931 Census had 14,667,146 inhabitants) about 72 per cent of the population live on agriculture, 10 per cent on trade and 7 per cent on industry.

PRODUCTION, EXPORTS AND IMPORTS

Principal products of Burma are rice, petroleum and timber, and yet Burma is rich in other minerals also.

The production of minerals in recent years is approximately as below:

Item	Quantity	Item	Quantity
Petroleum		Nickel	
gallons	274,664,365	(Species) .. tons	4,020
Lead .. tons	76,500	Salt "	58,818
Tin) Concentrates) .. "	6,628	Antimonial	
Tungsten		Lead "	1,150
(Con) .. "	4,998	Jadecite (Jade	
Silver .. cts.	6,180,000	stone) .. cwt.	2,942
Zinc (Conc) tons	73,552	Iron Ore .. tons	28,768
		Rubby and Sap-	

Item	Quantity	Item	Quantity
Building Ma-		phires	198,200
terials		Gold ..	.. ozs. 1,004
..	8,126,587	Clays ..	.. tons 18,092
Copper Mate-		Amber	.. cwt.s. 89
rials ..	7,750		

The total value of mineral products in 1937 was: £9,276,364.

Of production, agriculture forms by far the largest unit. About 72 per cent of the population depend on agriculture, while only 7 per cent on industry and 10 per cent on trade. Thus agricultural products form the principal items in production as well as exports, although forests yield large quantities of fine timber. Amongst agricultural production, rice forms 74 per cent, sesanum 7 per cent, millets $3\frac{1}{2}$ per cent, beans $3\frac{1}{2}$ per cent, cotton 2 per cent and the rest of 10 per cent is made up by groundnut, tobacco, wheat and rubber, and recently sugarcane. Production of rice is in the neighbourhood of 5,500,000 tons of which nearly 3,000,000 tons of rice is exported. Burma forests yield the best of timber in the east and which is in demand everywhere. About 150,000 sq. miles of area is under forests. About 380,000 cubic tons of teak and about 350,000 cubic tons of other timber is yielded by the Burma forests every year. Of this, usually 65 per cent of timber is exported. Because of the cheapness of very fine and durable timber, many Burmese houses are built only on supporting pillars which are sunk in the ground and are about 5 to 6 feet above the ground propping up the houses built on their support. This obviates the expense and necessity of digging for houses the foundations which are usually filled by earth and stone and by concrete. These wooden pillars stand even severe storms, and not often the houses supported by them are blown away by such storms or the pillars themselves are damaged.

Petroleum forms another important item of production and export. About 275,000,000 gallons of petroleum is produced annually of which nearly 60 per cent is exported.

The total annual maritime trade of Burma exceeds £50,000,000 or about 70 crores of rupees. Of this, exports exceed £32,000,000 (or about Rs. 448,000,000) and imports about £18,000,000 (or about Rs. 252,000,000). Amongst the exports, rice tops the list and accounts for nearly £28,00,000 (or about Rs. 39 Crores). There is also trans-frontier trade of Burma with Yunnan (about £2,000,000) and with Thailand (about £600,000).

The industries of the people are: building of boats and carts, umbrellas, shoes, woven silks, cheroots, pottery, matting, fish-pastes (nappi), wood-carving, silver wares and lacquerwares.

Burma provides the best place for construction of fine type of sailing vessels fitted with diesel oil engines.

Communication with Burma is maintained by many European and American lines, as well as by Japanese, Indian and Chinese lines of steamers. There is no over-land railway connection with India through Arakan in Burma and Assam in India, where the respective boundaries of Burma and India meet. Air service is regularly maintained in peace times between Calcutta and Rangoon or Akyab. Chief ports: Rangoon (which is also the capital city), Akyab, Bassein and Moulmein.

The standard of currency is the Indian Rupee with all its subsidiary coins as in India.

Weights and measures are as current in India.

3. CEYLON

In the dim, distant past the Hindus from India led by Emperor Ram had invaded Ceylon—called by the Hindus as Lanka or Sinhaldwipa—and destroyed the hostile power of King Ravan who was killed in the course of the war. Bishishan who was friendly to Emperor Ram, succeeded Ravan. No reparations were demanded by Ram from the Kingdom of Lanka, and Ceylon remained for a long time an entirely independent kingdom, friendly to India.

But in the 5th Century B.C., the Hindus from the Ganges valley again invaded Ceylon and founded the Sinhalese authority in the island by defeating the aboriginals,

the Veddahs. The Buddhist monks accomplished the rest by taking with them to the island not only Buddhism but the entire Indian culture and civilization. The Sinhalese, who are thus part and parcel of the original Hindu fold of India, absorbed and retained Buddhism and general Hindu culture from India. Gradually the aboriginals, the Veddahs, must also have been absorbed in the general community thus evolved.

In the meantime, great influx of Tamils from India into Ceylon had taken place, and invasions of Ceylon by Indian kings became more frequent. Thus, the Pandyas; the Cholas and the Shri Vijayas vied with each other for supremacy in Ceylon. Indian kings thus regarded Ceylon as within their spheres of influence. Gradually, however, by the eleventh century all the three dynasties disappeared from the scene having crippled themselves by fighting each other. The indigeneous people of Ceylon asserted themselves and formed their own kingdom in Ceylon. And at the time of the arrival of the Portuguese the Sinhalese kings were practical rulers of the island.

In 1505, the Portuguese established a small settlement on the island and with their usual method and perseverance assumed control over a part of the island. They met stiff opposition from the kings of Ceylon. The Dutch came later. King Simha in collaboration with the Dutch succeeded in ousting the Portuguese from the island in 1654 A.D. Colombo, the last stronghold of the Portuguese was stormed and captured on May 7, 1654. The Dutch, however, managed to acquire predominant position in the island. But in 1795, the British cleared other foreigners from the island, and that part which had been under foreign control was formally annexed by the British to Madras Presidency of India. In 1802, however, Ceylon was separated from Madras, and was converted into a Colony under a separate Governor sent from England. After the Vienna Congress of 1814-15, the last vestige of the Dutch power vanished from Ceylon and the British became masters of the entire island.

For a time, the Ceylonese did not show any signs of reaction against the foreign rule. But this silence did not lead to stagnation. Freedom, which is the natural desire not only of men but even of animals, provided the momentum which made the Ceylonese to think of their condition in the peaceful times that followed the establishment of the British rule in Ceylon. And thus the freedom movement based entirely on constitutional methods, followed. By perseverance and concerted efforts, they have now approached near to their goal. The latest constitution would give Ceylon practically Dominion Status—though not full Dominion Status—within the British Commonwealth of Nations. And the final goal of freedom will not be long delayed.

The Colony of Ceylon is governed by a Governor, sent from England, and the Council of State which exercises legislative but also partly executive functions. However, by the latest constitution proposed to be introduced soon, Ceylon will gradually attain a Dominion Status within the British Commonwealth of Nations. The capital city is Colombo.

The total area of Ceylon is about 25,332 sq. miles and the population as estimated in 1939 was about 5,922,000 (in 1931 census, the population was counted at 5,312,548).

PRODUCTION, EXPORTS AND IMPORTS

The principal products of Ceylon are tea, cinnamon, rubber, cocoa, copra and cocoanuts, cocoanut-oil and coir-ropes, etc.

The principal exports and imports in 1939 (normal year) were as below:

EXPORTS

Item	Quantity	Value in £
Tea lbs.	228,000,000	12,585,278
Rubber „	184,945,213	4,504,249
Cocoanut-oil cwt.	1,257,687	885,705
Copra „	1,061,884	478,495
Cocoanut (dehulled) „	672,685	475,461
Coir (Manufactured) „		278,848

Item	Quantity,	Value £
Plumbago cwts.	447,92½	227,142
Cocoa		100,468
Cinnamon		138,159
Citronella oil		82,058
Arecanuts		79,882
Cocoanuts (fresh)		34,540

Other products are: ilmenite, monazite, gems, sapphires, rubies, moonstones, cats-eyes, cardamums, etc.

IMPORTS.

Item	Value £	Item	Value £
Cotton Manufacture ..	1,006,385	Sugar (refined, unre-	
Rice & Paddy ..	4,091,025	finéd & Jaggery) ..	606,910
Coal & Coke ..	506,151	Manures ..	593,104
Spirits (Brandy, etc.)..	113,740	Bullion & Specie ..	10,211

TOTAL COMMERCE

Year	Imports £	Exports £
1937	16,209,055	22,141,128
1938	15,751,658	18,995,552
1939	16,072,257	21,876,189

Ceylon being situated on the high ocean routes of the world is visited practically by all the important lines of steamers operating in the world trade. Thus important European, Asiatic and American lines of steamers call at Colombo which is the principal port. Other important ports are Galle, Batticaloa and Jaffna. Ceylon is connected with India by steamer Ferries over a distance of 22 miles of sea between Talaimanar on the northern extremity of Ceylon and Dhanushyakodi at the southern extremity of India. At both these rail-ports the respective railways terminate. There is a regular air mail service between India and Ceylon.

The standard of currency is the Ceylon Rupee=1s. 6d. sub-divided into 100 cents. Subsidiary coins are—silver coins of 50, 25 and 10 cents; nickel coins of 5 cents; and copper coins of 1 cent, and half cent, etc. »

Weights and Measures are as current in India.

APPENDIX C

[Here are appended some schedules of Weights and Measures in the Metric and English systems converted with each other. Metric system is being gradually adopted almost in all the Far Eastern countries. And yet, some weights and measures as current locally in China, Japan, Korea, Hongkong, Thailand Indonesia, Straits Settlement are also given herebelow.]

METRIC TO IMPERIAL

Linear Measure.

1 Millimetre (mm) $\frac{1}{1000}$ Centimetre	= 0.03937 Ins.
1 Centimetre — $\frac{1}{100}$ Decimetre	= 0.3937 „
1 Decimetre — $\frac{1}{10}$ Metre	= 3.937 „
1 Metre (m) — 100 Centimetres	= 39.370113 „ 3.280843 ft. 1.0936143 Yd. = 0.004979 Furlong.
1 Decametre (DC) — 10 Metres	= 10.936 Yds.
1 Hectometre — 100 „	= 109.36 „
1 Kilometre (km) — 1000 „	= 0.62137 Mile.

Square Measure.

1 Square Centimetre	= 0.15500 Square Inch.
1 Square Decimetre (100 Sq. Centi)	= 15.500 „ „
1 Sq. Metre (100 Sq. Decimetres)	= 10.7639 Sq. Ft. = 1.1960 Sq. Yd.
1 Acre (100 Sq. Metres)	= 119.60 „ „
1 Hectare (100 Acres or 10,000 Sq. Mts.)	= 2.4711 Acres.
1 Sq. Kilometre (Km. Sq.)	= 100 Hectare (hectometre Sq.) = 1,000,000 Sq. Metre or Centiare. = 0.3861 Sq. Mile.

Cubic Measure.

1 Cubic Centimetre	= 0.0610 Cub. In.
1 Cubic Decimetre (c.d.) (1000 Cub. Centimetres)	= 61.024 Cub. In.
1 Cubic Met. (1000 Cub. Decimetres)	= 35.3148 Cub. Ft. = 1.357954 Cub. Yd.
1 Cubic Metre	= 1000 Cubic Litres (L)
1 Cubic Litre	= 1.05669 Cub. Centimetres.

Measure of Capacity

1 Centimetre	— 1 Litre	0.070 Gill.
	$\frac{1}{100}$	
1 Decilitre Litre	— 1 " "	= 0.176 Pint.
	$\frac{1}{10}$	
1 Litre.	— 1000 cm.	= 1.75980 Pints.
1 Dekalitre	— 10 Litres	= 2.600 Gallons.
1 Hectolitre	— 100 "	= 2.75 Bushels.

Weight.

1 Gramme (Grm.)	— 1000 Mg.	= 15.432 Grains.
1 Dekagram	— 10 Grams.	= 5.644 Drams.
1 Hectogram	— 100 "	= 3.527 Oz.
1 Kilogram	— 1000 Grams.	= 2.2046223 lb. or 15432.3564 Grain.
		= 22.046 lbs.
1 Myriagram (10 Kilog)		= 1.968 Cwt. = 220.4 lbs
1 Quintal (100 Kilo) — 2.2045 Centals		= 0.9842 Ton (Long)
1 Tonne (100 Kilo)		= 1 Ton (Metric)
10 Quintals		= 100 lbs. = 45.36 Kg.
1 Cental		

"

Imperial to Metric

Linear Measure

1 Inch.	= 25.400 Millimetre.
1 Foot (12 Inches)	= .030480 Metre.
1 Yard (3 feet)	= 0.914399 "
1 Fathom (6 feet)	= 1.8288 Metres.
1 Pole (5½ Yards)	= 5.0292 "
1 Chain (22 yards)	= 20.1168 "
1 Furlong (220 Yards)	= 201.168 "
1 Mile (8 furlongs)	= 1.6093 Kilometres.

Square Measure.

1 Sauare Inch	= 6.4516 Square Centimetres.
1 Square Foot (144 Sq. Inches)	= 9.2903 " Decimetres.
1 Square Yard (9 Sq. Ft.)	= 0.836126 " Metre.
1 Perch (30½ Sq. Yds.)	= 25.293 " Metres.
1 Rood (40 Perches)	= 10.117 Ares.
1 Acre (4840 Sq. Yds.)	= 0.40468 Hectare.
1 Square Mile (640 Acres)	= 259.00 " — 2.589 Sq. Km.

Cubic Measure.

1 Cubic Inch	= 16.387 C. Centimetres.
1 Cubic Foot (1728 Cub. In.)	= 0.028317 Cubic Metre.
1 Cubic Yard (27 Cub. Ft.)	= 0.764558 " "

Measures of Capacity.

1 Gill	= 1.42 Decilitres.
1 Pint (4 Gills)	= 0.568 Litres.
1 Quart (2 Pints)	= 1.136 "
1 Gallon (4 Quarts.)	= 4.5459631,,"
1 Peck (2 Gallons)	= 9.092 "
1 Bushel (8 Gallons)	= 3.637 Decalitres.
1 Quarter (8 Bushels)	= 2.909 Hectolitres.

Avoirdupois Weight.

1 Grain	= 0.0648 Gramme.
1 Dram	= 1.772 "
1 Oz. (16 drams)	= 28.350 "
1 Pound (16 Ozs. or 7000 grains)	= 0.45359248 Kilogram.
1 Stone (14 lbs.)	= 6.350 "
1 Quarter (28 lbs.)	= 12.70 "
1 Hundredweight (cwt. 112 lbs.)	= 50.80 Kilgs = 0.5080 Quintal
1 Ton (20 cwt.)	= 1.0160 Tonnes or 1016 K. Grms.

Nautical Measures.

12 Inches	= 1 Foot.
3 Feet.	= 1 Yard.
6 Feet	= 1 Fathom.
3 Nautical	= 1 League.

Sea or Nautical Mile—One-Sixtieth of a degree of latitude and varies from 6046 feet on the Equator to 6092 Ft. in Lat. 60°.

Nautical Miles for speed trials,	{ 6,080 Feet.
generally called the Admiralty	{ 1,151 Statute Miles.
Measured Mile.	{ 1853 Metres.

III Weights & Measures Of Some Of The For Eastern Countries

CHINA

10 Ch'ien — 1 Liang (Tael)	= 1.333 oz. (Avoir) pr	37.79 Gms.
16 Liang — 1 Kin (Catty)	= 1.333 Lbs.	" 604.7899 "
100 Kin (Catty) — 1 Tan (Picul)	= 133.333 Lbs.	" 60.17890 Kg.
4 Ozs — 3 Taels; 1 lb. $\frac{3}{4}$ Catty or 12 Taels; 1 cwt — 84 Catties		
1 ton — 16 Piculs and 80 Catties.		

Capacity.

10 Ko	— 1 Shang (Pint)	= 1.081 Litre.
10 Shang	— 1 Tou (Peck)	= 10.81 Litre (holding from 6 $\frac{1}{2}$ to 10 Kin of rice and measuring from 1.18 to 1.68 gallon).

Commodities, even liquids, such as oils, spirits, etc. are commonly bought and sold by weight.

Length—

- 10 Fen=1 Ts'un (inch)=1.41 English Inch=35.815 mm.
 10 Ts'un=1 Chih (Foot)=14.1 English inches by treaty.
 5 Chih. (or feet)—one Pu (or kung).
 2 Pu (or Kung)=1 Chang=11 ft. 2 in.=3.5814 Metres.
 10 Chang=1 Ying.
 18 Ying=1 Li= $\frac{1}{3}$ English Mile=576 Metres.

The Mow, the unit of measurement, is almost exactly 1/6th of an acre.

KOREA.

Principal Measures used are Japanese.

HONGKONG.

Weights and measures of Great Britain are also in general use.

Tael=1 1/3rd Oz. Avoirdupois. Picul=133 1/3 lbs. (avoir)..

Catty=1 1/3 rd 'bs. Avoirdupois. Check=14 5/8 inches.

Cheung=12 3/16 feet.

JAPAN.

Momme=2.11 drams or 2.41 cwt. or 120 momme=1 lb.

Kin (Catty)=160 momme=1.322 Lb. (0.266 Momme=1 Gramme).
 = 1.60 lb. troy.

1 Picul (100 Kin) = 132.27 lbs.

Kwan=1000 momme = 8.261 lbs. avoirdupois or 10.04 lbs. tr.

Shaku = .994 Foot (3.3 shaku=1 metre)

Kujira Shaku = 1.242 Feet.

Sun = 1.193 Inches.

Ken=6 Shaku=5.905 Ft.; Jo=10 shaku=9.942 feet.

Cho=60 Ken. = 857.916 ft. or about 1/15 mile.

Ri=36 Cho = 2.44 Miles=2160 Ken=8.92727 Km.

Ri (Marine) = 1.15 Mile.

Ri Square = 5.9552 Square Miles = 15.42347 Sq.Km.

Cho=10 Tan = 2.45 Acres.

Koku, liquid =10 To =100 Sho=Go=39,7088 gallons=47.95889 gallons of (U.S.A.)=1.80891 Hi

1 Kan=8.267 lbs. (avoir)=8.75 Kg.=10.047 lbs. (Troy)=3.75 Kg.

1 Kilometre=0.62137 Mile=3280 ft. 10"=9.16667 Cho.

1 Koku (fish)=40 Kan.

1 Kg = 0.26667 Kan.

1 Koku, dry = 4.96005 Bushels (British)= 5.11902 Bushels (U.S.A.)

Koku (Capacity/vessel) = 1/10 ton.

1 Koku (timber) = about 1 Cubic foot \times 10,

1 Hectolitre=2 Bushels, 3.35 Pecks (dry)=5.54352 Sho.

To liquid = 8.9708 Gallons.

To dry	= 1.9851 Peck.
1 Tsubo	= 3.95909 Sqr. Yard—3.30579 Centiares
1 Ko (Formosa)	= 2.984 Tsubo.
1 Hectare	= 10,000 Mm=2.471 Acres=1.00653 Cho.
1 Sq. Kilometre	= 0.386 Sqr. Miles= 247.10 Acres = 0.06484 Sq. Ri.

INDONESIA

Metric System is in current use. But other measures are :—

Amsterdamsch Pond	= 1.00 Lbs. avoirdupois
Picul	= 136 lbs.
Catty	= 1.86 lbs.
1 Koyang (Batavia)	= 27 piculs—1.639 ton; (Samarang)— 28 piculs — 1.70 tons; (Sourabaya) 30 piculs—1.821 tons.
Tjengkal	= 4 Yards.

THAILAND (Siam).

The adoption of the Metric System has been ordered. Local measures are :—

1 Chang (—20 Tamlungs or 80 Ticals)	= 2 lb. 10.3 Ozs. avoirdupois, or 1.2 Kilo
50 Chang	= 1 Hap—132 1/4 lbs.
1 Niu	= .88 inches.
1 Keup	= 12 Niu (10 inches)
1 Sok	= 2 Keup (20 inches)
1 Wah	= 4 Sok (80 inches)
1 Sen	= 20 Wah (133 feet)
1 Yot	= 400 Sen (about 10 miles).

The Chinese "hap" of 100 catties is generally used for weighing produce.

STRAITS SETTLEMENTS.

Measures same as English are : Local measures are :

16 Tahlil	= 1 Chinese Kati—1.1/3 lb. (avoirdupois)
100 Kati	= 1 Picul—133 1/3 lbs.
100 Malay Kati	= 1 " of 142.6 lbs.
40 Picul	= 1 Koyan—533 1/3 lbs.
Gantang	= 1 Gallon.
Chupak	= 1 Quart.

Some Miscellaneous Weights and Measure.

(Converted)

One Metric Ton Weight	= 1,000 Kilogrammes = 2,204.6 lbs.
" Gross (or Long) Ton	= 1,016.064 Kilogrammes = 2,240 lbs.
" Metric Ton	= 0.98421 Long Ton. = 1.10231 Short Ton.

„ Short Ton	= 2,000 lbs.—907.19 Kilo-
	gramme.
„ Cwt. (Hundredweight)	= 50.8 Kg.
„ Pound (avoir)	= 453.6 grammes.
„ Kilogramme	= 2.2046 lbs.
	= 85.2784 ounces.
„ Straits (Singapore) Picul	= 60.48 Kg.
„ Cubic Yard	= 764.559 Litres.
„ Barrel	= 158.99 Litres.
„ Imperial Bushel	= 36,868 „
„ U. S. Bushel	= 37,239 „
„ Cubic Foot	= 28.817 „
„ Imperial Gallon	= 4.546 „
„ U. S. Gallon	= 3.788 „

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